

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	70.94	0.08%	-0.8%	-2%	
EUR/INR	77.47	-0.03%	-2.5%	-10%	
GBP/INR	87.46	-0.03%	-0.3%	-9%	
JPY/INR	65.84	0.11%	-2.7%	2%	
EUR/USD	1.0922	0.01%	-1.5%	-6%	
GBP/USD	1.2329	0.01%	0.3%	-6%	
USD/JPY	107.74	-0.08%	1.8%	-5%	
USD/CNH	7.13	0.06%	-0.5%	3%	
10 YR YIELD- IN	6.77	0.05	0.24	(1.26)	
10 YR YIELD- USA	1.69	(0.00)	0.22	(1.36)	
GOLD (\$/Oz)	1,506	0.1%	-2%	27%	
SILVER (\$/Oz)	17.85	0.1%	-2%	25%	
BRENT CRUDE (\$/Brl)	62.17	-0.9%	4%	-24%	
COPPER 3M (\$/Ton)	5722	-1.1%	2%	-9%	
NIFTY	11525	-0.4%	3.8%	5.0%	
HANGSENG	25967	-0.3%	1.2%	-6.3%	
S&P 500	2978	-0.2%	3.8%	2.2%	
INR 1M FWD	0.25	0.00	0.00	(0.03)	
INR 3M FWD	0.71	0.00	(0.07)	(0.13)	
INR 12M FWD	3.07	0.01	0.09	(0.14)	
USDINR 1 MONTH ATM IV	6.41	0.00	(0.69)	(1.29)	
USDINR 3 MONTH ATM IV	6.49	(0.02)	(0.52)	(1.29)	
		1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(50)	(530)	(4,663)	6,676	
FII INVESTMENT- DEBT (\$ Mn)	10	99	2,918	4,346	
TOTAL- (\$ Mn)	(39)	(431)	(1,745)	11,022	

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Downward. As long as the pair holds below 71.40/45 zone on spot, scope for downside remains open. However, the support around 70.75/80 is resilient. Hence, a near term range of 70.75 to 71.20 in play.

Trade = Wait for a rise towards 71.10/15 zone on spot, to sell, with stop above 71.25 levels. Or sell if it breaks down below 70.75 on spot for a target of 70.45/50 and 70.30/35 zones.

Currency pair ==> GBPJPY spot

View = Intermediate trend remains bullish

Trade = Buy between 132.00/132.20 TP 134.00/134.50 SL 131.00

MACRO VIEW

- Yesterday Nifty and Sensex rallied by more than 1% in a broad based market rally. Risk on mood prevailed in the European stocks too that aided Indian equity markets. Hopes of more reforms kept bulls in control. Indian Rupee closed stronger at 70.88 against US Dollar. GOIsec 10 year yields closed 4 bps lower at 6.72. As bond market sees yields cool off, it takes away the higher borrowing scare post corporate tax cuts.
- US equity markets closed half a percent lower as traders remained focussed on developments on the whistleblower complaint against the US President Donald Trump. Traders are not yet jumping the gun and hence we need to be prepared to see more drama on this issues over the coming days. White House Economic Advisor Kudlow said China moves have been positive and the US will not impose auto tariffs for now. It is possible that deeper the impeachment inquiry goes, the more market-friendly comments we may hear from the US President and his team.
- Yesterday, Euro continued to lose ground against the USD and touched a low of 1.09 after comments from ECB Chief Economist Lane, who said that this month's massive stimulus package "wasn't that big," adding "they won't reach QE limits for a longer period of time and the ECB has scope for further rate cuts if needed." A clear signal that ECB is willing to ease more. However, monetary policy is reaching its limits in Eurozone. Monetary policy easing works in the economy three ways: lowering the long term rates and anchoring them at a lower level, lowering credit spreads and weakening the currency. The rates and spreads are already very low and economy has got its due benefit. Now the only way further monetary easing can work for EZ economy is if the Euro falls sharply. So keep an eye on it. EuroINR short carry trade has opened up.
- Asian equity markets trading lower. Asian currencies are also weakening against US Dollar. USDCNH is trading at 7.13. SGX Nifty is showing a flat open for Nifty. Dollar Rupee may open marginally higher and then trade within a narrow range.
- Brent crude oil futures are holding above 62.00 handle. Gold is down at 1512 dollars on active month futures on CME.

NEWSWIRE

- There are no complaints of liquidity shortage in the system and near unanimity that most microfinance institutions in rural India are seeing strong credit demand, said Finance Minister Nirmala Sitharaman

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CURRENCY

USD

ECONOMIC DATA

Durable Goods Orders

OCTOBER % MOVES CLOSE TO CLOSE IN USDINR				
YEAR	% CHANGE CLOSE TO CLOSE	DIRECTION	MEDIAN OF UP YEARS	MEDIAN OF DOWN YEARS
2018	2.02%	UP		
2017	-0.81%	DOWN		
2016	0.25%	UP		
2015	-0.50%	DOWN		
2014	-0.63%	DOWN		
2013	-1.79%	DOWN		
2012	1.80%	UP		
2011	-0.55%	DOWN		
2010	-1.15%	DOWN		
2009	-2.36%	DOWN		
2008	5.33%	UP	1.65%	-0.96%
2007	-1.30%	DOWN		
2006	-1.82%	DOWN		
2005	2.61%	UP		
2004	-1.22%	DOWN		
2003	-0.96%	DOWN		
2002	-0.03%	DOWN		
2001	0.30%	UP		
2000	1.50%	UP		
1999	-0.55%	DOWN		

Source: Bloomberg

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