

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.10	-0.09%	2.0%	9%
EUR/INR	81.83	0.41%	2.0%	7%
GBP/INR	90.24	0.04%	0.1%	9%
JPY/INR	62.96	-0.16%	1.8%	7%
EUR/USD	1.1672	-0.05%	-0.3%	-3%
GBP/USD	1.2873	-0.15%	-2.0%	0%
USD/JPY	111.35	0.24%	0.3%	2%
USD/CNH	6.8103	0.25%	-0.2%	3%
10 YR YIELD- IN	7.90	0.00	0.12	1.33
10 YR YIELD- USA	2.85	0.01	(0.10)	0.69
GOLD (\$/Oz)	1,209	-0.2%	-1%	-8%
SILVER (\$/Oz)	14.86	-0.2%	-4%	-15%
BRENT CRUDE (\$/Brl)	76.17	-0.1%	3%	47%
COPPER 3M (\$/Ton)	6105	2.0%	-3%	-9%
NIFTY	11732	0.34%	4.02%	18%
HANGSENG	28376	0.37%	-1.49%	2%
S&P 500	2897	0.77%	2.76%	19%
INR 1M FWD	0.26	(0.01)	0.01	0.02
INR 2M FWD	0.52	0.00	0.02	0.04
INR 3M FWD	0.77	(0.01)	0.02	0.06
INR 6M FWD	1.52	(0.01)	0.01	0.11
INR 12M FWD	3.03	(0.00)	0.03	0.28
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(39)	(127)	128	(493)
FII INVESTMENT- DEBT (\$ Mn)	296	523	536	(5,573)
TOTAL- (\$ Mn)	257	397	664	(6,066)

CURRENCY	ECONOMIC EVENT
USD	CB Consumer Confidence

INDIA NEWSWIRE

1. About 70 companies with a combined debt of approximately Rs. 3.6-lakh crore face insolvency proceedings, with the deadline imposed by the Reserve Bank of India ending on Monday.
2. According to GoI, work on five major river linking projects, including the one that would transfer surplus water from Godavari to Cauvery, is expected to commence from December

WORLD NEWSWIRE

1. German IFO Business Confidence came in stronger at 103.8 vs 101.7 estimate, rising for the first time in 9 month, hinting at strong domestic activity. IFO also stated that 3Q GDP can expand to 0.5%.
2. Trump and Merkel said agreed on more talks on US - EU trade barriers.

FX VIEW

Dollar Rupee made a sharp recovery yesterday, probably on the back of rebound in oil prices, which is trading above 76.00 on Brent, just 4 dollars shy of the 52 week highs and weakness in the Turkish Lira, which was down by over 3% by the time we shut on the onshore market. Rupee paid no heed to the local equity markets but paid attention to the sell-off in long bond prices, where 10 year yields inched closer to 7.90 once again. Dollar Rupee closed above the 70.00 handle.

It was a relatively quiet session in Europe as UK markets were shut. There were no major data-wise from UK or US, except for the German IFO. However, the biggest story for the day was the bi-lateral trade deal struck between the U.S. and Mexico. This helped the European equity markets as well as the US markets to score strong gains. US equity indices closed with over a percent gain. Market is hoping that Canada will be able to secure a deal with US soon. Even there are reports of ongoing dialogue between Germany and US on a fair trade deal. Some may be tempted to extrapolate it as sign that door may have opened for a trade deal with China as well. We do not think a trade deal even if reached can be win-win for both sides. One needs to understand the needs of China and its economic model and where it needs to go, if it has avoid the fate that had befallen other EMs over the past century who followed similar economic model. We will covering that aspect in our future reports but for now, we would say that it will be premature to call an end to troubles for China. We believe their path forward can long and arduous.

Monday's best-performing currency was the euro. It was supported by stronger business confidence. The German IFO index rose for the first time in 9 months. Expectations for exports were particularly strong. EURUSD faces resistance between 1.17/1.1750 and support closer to 1.16. EURINR remains in a bullish trend and can be bought on decline between 80.00/80.50 zone for a target for 83.00/83.50. GBPINR too is in a corrective consolidation phase within an uptrend. Buy on decline remains the trade as long as the pair holds above 87.00 on spot. JPYINR is trading above its recent sideways consolidation zone. As long as above 62.00, we would be bullish for a target of 64.00/64.50 on spot.

Technically, USDINR can offer a bullish breakout above 70.25 on spot. Either go long above 70.25 with stop below 70.00 or wait for a dip to 69.80/85 zone to buy with stop below 69.50. Upside target is above 71.00.

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