

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	71.58	0.14%	4.0%	2%	
EUR/INR	79.35	-0.06%	3.7%	-3%	
GBP/INR	87.88	0.21%	3.8%	-3%	
JPY/INR	67.64	-0.01%	6.5%	7%	
EUR/USD	1.1085	-0.05%	-0.5%	-5%	
GBP/USD	1.2277	-0.11%	0.5%	-5%	
USD/JPY	105.83	0.08%	-2.8%	-5%	
USD/CNH	7.16	-0.04%	3.8%	5%	
10 YR YIELD- IN	6.52	(0.01)	(0.00)	(1.38)	
10 YR YIELD- USA	1.48	0.01	(0.59)	(1.40)	
GOLD (\$/Oz)	1,536	-0.5%	8%	28%	
SILVER (\$/Oz)	18.17	-0.2%	10%	24%	
BRENT CRUDE (\$/Brl)	59.94	0.7%	-6%	-21%	
COPPER 3M (\$/Ton)	5683	0.9%	-5%	-7%	
NIFTY	11078	-0.2%	-1.8%	-5.6%	
HANGSENG	25678	0.1%	-9.6%	-9.4%	
S&P 500	2869	-0.3%	-5.2%	-1.0%	
INR 1M FWD	0.24	(0.01)	0.04	(0.01)	
INR 3M FWD	0.75	(0.01)	0.07	(0.02)	
INR 12M FWD	2.98	(0.00)	(0.03)	(0.06)	
USDINR 1 MONTH ATM IV	7.09	(0.00)	2.27	0.63	
USDINR 3 MONTH ATM IV	6.93	(0.08)	1.73	0.34	
		1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(98)	(1,868)	(3,802)	7,537	
FII INVESTMENT- DEBT (\$ Mn)	45	1,034	2,260	3,688	
TOTAL (\$ Mn)	(53)	(833)	(1,542)	11,225	

CURRENCY

ECONOMIC DATA

Crude Oil Inventories

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 70.50 on spot. Short term trend has turned negative and would require a move above 71.70 on spot to bring short term trend and intermediate trend in consonance.

Trade = We are short on USDINR for a target of 71.10/15 on spot. However, above 71.70, we will reverse position to long USD.

Currency pair ==> EURUSD spot

View = Intermediate trend is downward.

Trade = Sell between 1.1100/1.1120 TP 1.1020/1.1000 SL 1.1150

MACRO VIEW

- 1) Yesterday India's frontline equity indices gained half a percent on the back of strong buying from local investors. FPIs were net sellers. Gains were broad based, as rate sensitive sectors like banks, autos, capital goods and commodity sectors outperformed the Nifty and Sensex. Rupee was the biggest gainer in Asia and EM basket as speculative unwinding was triggered due to improvement in the sentiments. USDINR declined by 53 paise to close at 71.48 on spot. Goisec 10 year yields yo-yoed from a low of 6.35% to 6.53%.
- 2) Overnight US stocks declined by nearly 0.5% on the back of push-back from China on trade war and also deeper inversion in the US yield curve. US 10 year yields are well below US 3 months yield and US 2 year yields, most negative since 2007. Even the spread between US 30 year yields and US 3 month yields are now negative, first time since 2007. Yield curve is worrying risk takers as it is signalling weaker growth/recession in the future.
- 3) Economic data from US was better than expected. Manufacturing activity across mid-Atlantic states was moderate in August, according to a report from the Federal Reserve Bank of Richmond, as indexes for shipments and the volume of new orders rose. In another report, U.S. consumer confidence fell less than expected in August, with households still upbeat about the labour market.
- 4) Asian equity indices are mostly up between 0.25%-0.5%, except for mainland Chinese stocks. SGX is indicating a flat open for Nifty. Asian currencies are trading weaker led by the weakness in the Chinese currency. Chinese central bank is still fixing the Yuan at a fresh 11 year low every day. It is clear Chinese authorities have not liked the way US "insulted China" in public to squeeze out a deal in trade and other areas. Until and unless, the Yuan stops falling, Asian currencies and global risk assets will keep facing selling pressure from time to time.
- 6) Brent crude oil has jumped nearly 2.5% overnight to trade above 60.00 handle. Gold has jumped higher towards 1550 on the front month futures, a fresh 6 year high.

NEWSWIRE

- 1) Japan has removed South Korea as a preferential trade partner. But now Japanese manufacturers must apply for approval for each technology-related contract for South Korean export.

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Source: TradingView

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