

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.26	0.22%	2.2%	9%
EUR/INR	82.19	0.21%	2.4%	6%
GBP/INR	90.41	0.01%	0.3%	8%
JPY/INR	63.15	0.02%	2.1%	7%
EUR/USD	1.1694	-0.01%	-0.1%	-2%
GBP/USD	1.2867	-0.05%	-2.0%	0%
USD/JPY	111.27	0.07%	0.2%	1%
USD/CNH	6.8080	0.10%	-0.3%	3%
10 YR YIELD- IN	7.90	0.00	0.12	1.37
10 YR YIELD- USA	2.87	(0.01)	(0.08)	0.74
GOLD (\$/Oz)	1,204	0.3%	-1%	-8%
SILVER (\$/Oz)	14.76	0.4%	-5%	-15%
BRENT CRUDE (\$/Brl)	75.94	0.0%	2%	46%
COPPER 3M (\$/Ton)	6147	0.7%	-2%	-8%
NIFTY	11752	0.12%	4.20%	20%
HANGSENG	28395	0.15%	-1.42%	2%
S&P 500	2898	0.03%	2.79%	18%
INR 1M FWD	0.25	(0.00)	0.00	0.02
INR 2M FWD	0.52	0.00	0.03	0.05
INR 3M FWD	0.77	0.00	0.03	0.06
INR 6M FWD	1.51	(0.01)	0.00	0.10
INR 12M FWD	3.04	0.00	0.02	0.26
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	62	224	432	(190)
FII INVESTMENT- DEBT (\$ Mn)	38	620	725	(5,384)
TOTAL- (\$ Mn)	100	844	1,157	(5,574)

CURRENCY	ECONOMIC EVENT
USD	Prelim GDP q/q

INDIA NEWSWIRE

1. Lenders to about 30 stressed power assets will refer them to bankruptcy courts, after the Allahabad High Court denied any relief to the sector from the Reserve Bank of India's February 12 circular setting a 180-day deadline for resolution, which ended on Monday.
2. The government isn't planning to ease rules to allow foreign direct investment (FDI) in business to consumer (B2C) e-commerce players holding the inventory of various goods, even if such products are locally-made

WORLD NEWSWIRE

1. U.S. consumer confidence surged to near an 18-year high in August, as households remained upbeat on the labor market, pointing to strong consumer spending ahead.
2. Prime Minister May said a no-deal Brexit is not the end the world and the UK's Fox said they made a fair and reasonable offer to the EU. They also said hard Brexit is not off the table.

FX VIEW

Yesterday the burst above 70.25 did not find follow through but the pair managed to close above 70.00 handle on spot. PSU banks were heard to be on the bid yesterday. Overnight, US stock market closed in the green but EM currencies took it on the chin, with Latam bloc, like Real depreciating to a fresh low against USD at 4.14. Turkish Lira too has depreciated by another 2%. Oil prices continued to hold ground above 76 on Brent, inspite of assurances from Saudi Arabia that Iran would not be able to stop traffic flowing through Strait of Hormuz. Higher oil and weaker EM currencies spells trouble for Rupee. We expect an open around 70.30 on spot, a whisker away from the life time lows of 70.40 on spot.

Price action of Rupee speaks louder than any macro analysis. Rupee is reacting to every piece of negative news much more than it is reacting to any positive news. When oil peaked, Rupee ignored oil and focussed its attention on Yuan. Once Yuan stabilised, it was fringe currencies like Lira that caused Rupee to weaken. Over the past couple of days, Euro has rallied from 1.13 to 1.17, Dollar Rupee has even ignored the Euro, GBP, CNH and Lira. Now attention is turned on oil once more, which is just 4 dollars short of a new 52 week high. A clear indication that the path of least resistance is downward for Rupee. For this structure to change, something dramatic has occur, the question is what will that be?

After a while, US economy released a data which positively surprised the market. It turns out Americans are in a very cheery mood this month as the CB consumer confidence index surged to its highest level since October 2000. A robust consumer confidence boosted the Dollar and Euro sold off from 1.1733 and GBP from above 1.29. Dollar Yen is holding above 111.00. EURUSD needs to trade above 1.1750 and hold to receive the next boost in its uptrend. Incase it manages to hold above 1.1750, play for a move towards 1.1950/1.20 levels with interim resistance around 1.1800 and 1.1860. EURINR remains in an uptrend and buy on decline remains the approach as long as above 80.00 on spot. JPYINR remains in an uptrend, buy on decline as long as above 62.00 on spot.

Technically, primary trend is upward as long as the pair holds above 69.00 on spot. Short term uptrend is intact above 69.70 on spot. Resistance around 70.40 on spot, all time high and then between 71.20/30 on spot.

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Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: NSE INB/INF/INE 230808130, BSE INB 010808153/INF 011133230, MSEI INE

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