

| INSTRUMENT                   | LAST PRICE   | 1 DAY      | 1 MONTH    | 1 YEAR     |
|------------------------------|--------------|------------|------------|------------|
| USD/INR                      | 70.01        | -0.87%     | -4.9%      | 8%         |
| EUR/INR                      | 79.74        | 0.04%      | -5.1%      | 5%         |
| GBP/INR                      | 89.92        | -0.41%     | -4.9%      | 4%         |
| JPY/INR                      | 61.84        | -0.40%     | -5.8%      | 7%         |
| EUR/USD                      | 1.1387       | 0.18%      | 0.1%       | -4%        |
| GBP/USD                      | 1.2844       | 0.15%      | 0.4%       | -4%        |
| USD/JPY                      | 113.28       | -0.35%     | 0.8%       | 1%         |
| USD/CNH                      | 6.9362       | -0.06%     | -0.6%      | 5%         |
| 10 YR YIELD- IN              | 7.61         | (0.03)     | (0.20)     | 0.58       |
| 10 YR YIELD- USA             | 3.02         | (0.04)     | (0.06)     | 0.63       |
| GOLD (\$/Oz)                 | 1,225        | 0.3%       | 0%         | -5%        |
| SILVER (\$/Oz)               | 14.37        | 0.3%       | -1%        | -13%       |
| BRENT CRUDE (\$/Brl)         | 59.04        | 0.5%       | -24%       | -6%        |
| COPPER 3M (\$/Ton)           | 6200         | 1.3%       | 1%         | -9%        |
| NIFTY                        | 10808        | 0.74%      | 5.44%      | 4%         |
| HANGSENG                     | 26647        | -0.13%     | 7.39%      | -10%       |
| S&P 500                      | 2744         | 2.30%      | 3.88%      | 4%         |
| INR 1M FWD                   | 0.24         | (0.01)     | (0.02)     | 0.02       |
| INR 2M FWD                   | 0.47         | 0.00       | (0.06)     | 0.04       |
| INR 3M FWD                   | 0.69         | (0.00)     | (0.09)     | 0.04       |
| INR 6M FWD                   | 1.42         | (0.03)     | (0.15)     | (0.01)     |
| INR 12M FWD                  | 2.79         | (0.02)     | (0.27)     | (0.01)     |
|                              | <b>1 DAY</b> | <b>MTD</b> | <b>QTD</b> | <b>CTD</b> |
| FII INVESTMENT- EQ (\$ Mn)   | 95           | 559        | (3,194)    | (5,200)    |
| FII INVESTMENT- DEBT (\$ Mn) | (40)         | 843        | (508)      | (7,618)    |
| TOTAL- (\$ Mn)               | 55           | 1,402      | (3,702)    | (12,817)   |

| CURRENCY | ECONOMIC DATA               |
|----------|-----------------------------|
| EUR      | Prelim CPI- Germany         |
| EUR      | ECB President Draghi Speaks |

### INDIA NEWSWIRE

- Govt released GDP back-series data. According to this set of data, India's GDP grew at an average of 6.7 per cent in nine years of the UPA regime, 2005-06 to 2013-14, in comparison to growth under the current National Democratic Alliance government, which stands at 7.3 per cent. GDP growth for all years prior to 2010-11 has been revised downwards.

### FX VIEW

Dollar Rupee spot opened around 70.30 levels from 70.60, on the back of dovish comments from the US central bank chief last night. Dollar is on back foot against most currencies and even crude has backed-off from 60 handle to now around 59, so all in all there is a conducive backdrop for Rupee to strengthen. However, we could see RBI intervene to shore up reserves and prop up Rupee liquidity, which may support the pair around 70.00. Overnight in global news, three important developments were:

US Fed chair hinting that US Fed may go slow in hiking rates in 2019, as interest rates are closer to neutral, where they are enough to keep inflationary pressures under check and also allow economy to grow. Dollar reacted negatively, as it was taken as a hint that Fed may not hike in every quarter as was expected.

Economic reports from the U.S. weren't all that upbeat as the preliminary version of the Q3 GDP report didn't reflect some upgrades that market was expecting. Growth figure was maintained at 3.5% versus expectations of a slight upgrade to 3.6%. Components of the report indicated inventory build-up is occurring, consumer spending was downgraded as business investment was upgraded. Data failed to cheer up USD.

Saudi Arabia will not cut oil output on its own to stabilise the market, Energy Minister Khalid al-Falih said on Wednesday as Nigeria and Russia said it is too early to signal whether they would join any production curbs. A rift in OPEC+ could add fuel to the bearish onslaught in petroleum. India would not mind such an outcome. A similar rift in 2015 had caused oil prices to halve to below 30 dollars a barrel. Lower the oil, better for Indian bonds, Indian consumers and therefore, Indian Rupee.

Bank of England, released the results of the bank stress tests as part of its bi-annual Financial Stability Report, which looked into the potential worst case Brexit outcomes. BOE assured that there is no need to increase capital buffers for now as U.K. banks can withstand no access to foreign funds for months. In the report it performed a sensitivity analysis of potential Brexit outcomes on the GDP as well as on Pound. It warned that in event of a disruptive Brexit could trigger a 3% fall in GDP in the short-term and 15% depreciation for the pound. Being unprepared to shift to WTO rules could cause a 5.5% drop in GDP while a more prepared move could still lead to a 2.5% decline. In event of a disorderly Brexit (no deal and no transition agreements), the impact can be severe as there can be a 8% fall in GDP and a 25% drop in the pound's value.

### TECHNICAL VIEW & RUPEE CROSSES:

Intermediate trend is downward for USDINR, if it breaks 70 and sustains then it can test 69.50/60 levels on spot. Break of 70.00 also opens the door for a test of the 5 year bullish breakout zone of 68.80/69.00 levels. Resistance around 71.00 levels on spot. Sell on rise, as long as USDINR is not closing above 71.00 levels.

\*\*\*\* CHART ON NEXT PAGE \*\*\*\*



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