

| INSTRUMENT | LAST PRICE | 1 DAY | 1 MONTH | 1 YEAR |
|------------------------------|--------------|------------|------------|------------|
| USD/INR | 71.31 | 0.28% | 2.2% | 11% |
| EUR/INR | 81.59 | 0.35% | 2.0% | 3% |
| GBP/INR | 93.37 | -0.12% | 4.6% | 4% |
| JPY/INR | 65.21 | 0.31% | 2.3% | 10% |
| EUR/USD | 1.1442 | 0.08% | -0.2% | -8% |
| GBP/USD | 1.3094 | 0.21% | 2.7% | -7% |
| USD/JPY | 109.36 | -0.04% | -0.3% | 1% |
| USD/CNH | 6.7329 | -0.23% | -2.0% | 6% |
| 10 YR YIELD- IN | 7.33 | 0.01 | (0.05) | (0.10) |
| 10 YR YIELD- USA | 2.72 | 0.01 | 0.00 | (0.00) |
| GOLD (\$/Oz) | 1,314 | 0.2% | 2% | -2% |
| SILVER (\$/Oz) | 15.94 | 0.6% | 3% | -7% |
| BRENT CRUDE (\$/Brl) | 61.61 | 0.5% | 18% | -11% |
| COPPER 3M (\$/Ton) | 6050 | 0.8% | 1% | -15% |
| NIFTY | 10672 | 0.19% | -1.73% | -3% |
| HANGSENG | 27610 | 0.29% | 8.26% | -15% |
| S&P 500 | 2640 | -0.15% | 6.21% | -6% |
| INR 1M FWD | 0.22 | 0.00 | (0.03) | 0.01 |
| INR 2M FWD | 0.48 | 0.03 | 0.01 | 0.01 |
| INR 3M FWD | 0.75 | 0.01 | 0.06 | 0.01 |
| INR 6M FWD | 1.47 | 0.00 | 0.06 | 0.04 |
| INR 12M FWD | 2.93 | 0.04 | 0.16 | 0.13 |
| | 1 DAY | MTD | QTD | CTD |
| FII INVESTMENT- EQ (\$ Mn) | (11) | (457) | (457) | (457) |
| FII INVESTMENT- DEBT (\$ Mn) | (20) | (303) | (303) | (303) |
| TOTAL- (\$ Mn) | (31) | (760) | (760) | (760) |

| CURRENCY | ECONOMIC DATA |
|----------|--------------------------------|
| EUR | German Prelim CPI |
| USD | ADP Non-Farm Employment Change |

INDIA NEWSWIRE

- India Ratings has said income support as a core centrally sponsored scheme is a better option than debt waiver. It said in case the FY20 interim Budget announced an income support of Rs 8,000 per acre per annum for marginal and small farmers, the levels would be significantly lower than the amount conceptualised under the universal basic income scheme for the poor proposed in the Economic Survey 2016-17. The support would cost the Centre exchequer Rs 1.47 trillion.

WORLD NEWSWIRE

- According to media reports, EU is preparing to issue a formal rejection to the proposed amendments to the Brexit deal as originally proposed by UK PM May. May's proposal involves scrapping the backstop arrangement concerning the Irish border.

FX VIEW

After nearly two weeks of consolidation and slow drift down, in the onshore market today, Dollar Rupee could be opening higher, around 71.35 levels on spot. A number of factors could be in play. Oil prices have jumped back above 61 on Brent grade and USDINR has got a high positive correlation with the black crack. There are fears in the market that Fed may not concede on balance sheet tapering and also the media allegations over the mis-governance of a major NBFC/HFC in India. Since New year, we have been pointing out that for Rupee, risks outweigh the potential reward. Template is playing out.

Tonight focus will be on FOMC. Essentially, for the Fed to "get more dovish" at this point - which also includes potentially conceding on balance sheet tapering - it would require a major downdraft in U.S. economic data or another market volatility spasm-which is not something that is going to help the mood. In simple words, the US stocks and credit markets have to decline enough for Fed to cross the Rubicon. Another interesting angle is, if risk assets rise and Dollar fall further, oil too shall move higher. In that case, Rupee may have to oblige by depreciating. Therefore, if dovish Fed sparks a bull stampede in Dollar, we would be buyers of Euro against Rupee. Instead, if Fed maintains status quo, then we would be shorting Rupee against G4.

How the Rupee will fair against GBP would depend on how UK exits EU. Last night, the recent act of the drama in the UK Parliament saw two major decisions. The UK Parliament voted to reject Amendment B. In short, this would have sought to delay Brexit should Prime Minister Theresa May fail to secure a deal towards the end of next month. However, they passed Amendment N. This seeks to replace the controversial "Irish backstop" with "alternative arrangements to avoid a hard border" between the Republic of Ireland (an EU member state) and Northern Ireland (a part of the UK). However, later an EU spokesman said that the agreed-upon Brexit deal was not open to renegotiation; similar view was echoed by French President Emmanuel Macron. Therefore, once again market is a bit fearful of a potential no deal Brexit. However, the fear is not so intense or else GBP would have collapsed.

In economic data, before Fed, US will release the ADP private sector jobs data for the month of January, which is expected to show a growth of around 180,000 additions, lower than 271,000 additions in December.

TECHNICAL VIEW:

Technically, USDINR remains in a bullish trend as long as above 70.90 on spot. Resistance is around 71.50/55 and 71.90/72.00.

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



Source: Bloomberg

Disclaimer/Disclosures

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house. Kotak Securities Limited is a corporate trading and clearing member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange(MCX).Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Equities Research Group of Kotak Securities Limited. We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed if any or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may should be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies if any and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Disclaimer/Disclosures

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent. Details of Associates are available on our website ie www.kotak.com Research Analyst has served as an officer, director or employee of Subject Company: NA

We or our associates may have received compensation from the subject company, if any in the past 12 months.

We or our associates may have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: NA

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates have not received any compensation or other benefits from the Subject Company if any or third party in connection with the research report. Our associates may have financial interest in the subject company if any.

Research Analyst or his/her relative's financial interest in the subject company(ies) : NA

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report : NA

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relatives has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Subject Company, if any may have been client during twelve months preceding the date of distribution of the research report.

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: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97.

Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com. In case you require any clarification or have any concern, kindly write to us at below email ids:

o Level 1: For Trading related queries, contact our customer service at 'service.securities@kotak.com' and for demat account related queries contact us at ks.demat@kotak.com or call us on: Toll free numbers 18002099191 / 1860 266 9191

o Level 2: If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at ks.escalation@kotak.com or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at ks.servicehead@kotak.com or call us on 022-42858208.

o Level 3: If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Name: Manoj Agarwal) at ks.compliance@kotak.com or call on 91- (022) 4285 6825.

o Level 4: If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach CEO (Mr. Kamlesh Rao) at ceo.ks@kotak.com or call on 91-(022) 4285 8301.