

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	68.80	0.10%	-0.2%	0%	
EUR/INR	76.66	0.34%	-2.1%	-5%	
GBP/INR	83.76	-0.97%	-4.1%	-8%	
JPY/INR	63.33	0.11%	-0.5%	2%	
EUR/USD	1.1143	-0.02%	-1.3%	-5%	
GBP/USD	1.2175	-0.36%	-3.7%	-7%	
USD/JPY	108.65	-0.12%	0.2%	-2%	
USD/CNH	6.8887	-0.06%	0.4%	1%	
10 YR YIELD- IN	6.43	0.01	(0.45)	(1.37)	
10 YR YIELD- USA	2.06	(0.01)	0.05	(0.91)	
GOLD (\$/Oz)	1,425	-0.1%	3%	17%	
SILVER (\$/Oz)	16.44	-0.1%	9%	6%	
BRENT CRUDE (\$/Brl)	64.04	0.5%	-4%	-15%	
COPPER 3M (\$/Ton)	6018	0.9%	0%	-4%	
NIFTY	11239	0.44%	-4.67%	-1%	
HANGSENG	28231	0.44%	-1.09%	-2%	
S&P 500	3021	-0.16%	2.69%	8%	
INR 1M FWD	0.20	0.00	(0.06)	(0.04)	
INR 2M FWD	0.43	0.00	(0.09)	(0.07)	
INR 3M FWD	0.68	(0.02)	(0.09)	(0.07)	
INR 6M FWD	1.44	0.00	(0.16)	(0.07)	
INR 12M FWD	3.01	(0.00)	(0.26)	(0.01)	
		<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	436	(1,569)	(1,569)	9,770	
FII INVESTMENT- DEBT (\$ Mn)	(192)	1,083	1,083	2,511	
TOTAL- (\$ Mn)	244	(486)	(486)	12,281	

CURRENCY	ECONOMIC DATA
GBP	Mortgage Approvals

#### INDIA NEWSWIRE

1. According to media reports, the Reserve Bank of India's board will meet on August 16 to discuss, among others, the nation's proposed maiden offshore bond sale plan.

#### WORLD NEWSWIRE

1. US President Donald Trump urged the Federal Reserve to go beyond making a "small rate cut" this week. In a series of tweets, Trump accused the Fed of acting too cautiously in comparison to China and Europe.

#### FX VIEW

Meeting of the US central bank concludes tomorrow late in the night as per Indian time. This is going to be an eventful monetary policy meet, where they are widely expected to reduce interest rates by 25 bps. Such a cut in rates, if done, will be the first such cut in over 20 years which is being undertaken by Fed outside a recession in the US economy. However, traders will be focused on what the central bank has to say about the future path of the policy. If they signal one and done, then Dollar can rally and the US yield curve may steepen.

Interestingly, Rupee has shown resilience. In spite of the deep sell off in equity and weakness in majors, Rupee has not depreciated much against the Greenback. Keeping this in mind, we are holding Long positions in Rupee against USD as well as GBP. Though USD may remain subdued ahead of Fed but it is the GBP which will score a sixer right at the open.

Thanks to the tough stance on Brexit from New UK PM, GBP has plunged overnight. Mr. Johnson has said that the current withdrawal agreement on table is not acceptable and EU has to agree to a fresh new deal. However, EU has made it clear that the deal is non-negotiable. UK PM has even asked his cabinet to make preparations for a "no-deal" Brexit, if the need arise. We sense a "Trumpian" move from BoJo (UK PM). He wants to make it clear to EU that they are not afraid of a no deal, as they think EU will be affected more or equally like UK, if that were to happen. It is a game of chickens from the game theory. One party has to back off first, or else both shall crash. UK runs the second largest current account deficit in the world, after US, which means, it is a major consumer. Whereas EU runs the largest current account surplus, making it dependent on consuming economies of the world. Therefore this negotiation between U? and EU is also a shade of the negotiations ongoing between China and US. We have to and wait and see, whether BoJo can secure a Trumpian like victory or crash out of EU without a deal in October end.

#### TECHNICAL VIEW & RUPEE CROSSES:

Primary downtrend is intact in USDINR. Short term trend is sideways. USDINR face resistance around 69.10/20 levels on spot, which if conquered can open doors for a move towards 69.50/60 zone on spot. Intra-day shorts on USDINR can be done closer to 69.00 on spot, but we would advise covering those shorts if the pair trades above 69.20.

In Rupee crosses, EURINR trend remains downward and sell on rise as long as below 78.50 on spot. In GBPINR, bias remains bearish as long as the pair holds below 86.50 level on spot. In JPYINR, we are bullish as long as above 62.80 on spot. However, if the pair were to close below 62.80, we will reverse to short for target @ 62.00

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



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