

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	71.75	-0.06%	4.0%	1%	
EUR/INR	79.22	-0.28%	3.1%	-4%	
GBP/INR	87.38	-0.25%	4.2%	-5%	
JPY/INR	67.38	0.00%	5.9%	6%	
EUR/USD	1.1044	-0.12%	-1.0%	-5%	
GBP/USD	1.2178	-0.02%	0.2%	-6%	
USD/JPY	106.49	-0.03%	-2.0%	-4%	
USD/CNH	7.16	0.16%	3.7%	4%	
10 YR YIELD- IN	6.57	0.02	0.18	(1.36)	
10 YR YIELD- USA	1.51	0.02	(0.54)	(1.34)	
GOLD (\$/Oz)	1,525	-0.2%	7%	27%	
SILVER (\$/Oz)	18.23	-0.2%	10%	25%	
BRENT CRUDE (\$/Brl)	61.07	0.0%	-6%	-21%	
COPPER 3M (\$/Ton)	5727	0.6%	-5%	-6%	
NIFTY	10948	-0.9%	-1.2%	-6.2%	
HANGSENG	25824	0.5%	-8.2%	-8.3%	
S&P 500	2925	1.3%	-2.9%	0.8%	
INR 1M FWD	0.24	(0.00)	0.04	(0.00)	
INR 3M FWD	0.77	0.00	0.09	(0.00)	
INR 12M FWD	3.08	(0.00)	0.07	0.03	
USDINR 1 MONTH ATM IV	6.78	0.07	1.93	(0.27)	
USDINR 3 MONTH ATM IV	6.82	(0.02)	1.61	(0.27)	
		1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(176)	(2,192)	(4,126)	7,213	
FII INVESTMENT- DEBT (\$ Mn)	16	1,408	2,634	4,062	
TOTAL (\$ Mn)	(161)	(783)	(1,492)	11,275	

CURRENCY	ECONOMIC DATA
EUR	CPI Flash Estimate
INR	GDP & Core sector growth

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 71.40 on spot.

Trade = Buy on decline, with stop and reverse below 71.40 on spot. Target remains 72.40/50 on spot. Below 71.40, play for 71.10 and even 70.80 levels on spot.

Currency pair ==> GBPUSD spot

View = Intermediate trend is downward.

Trade = Sell on rise between 1.2200/20, stop above 1.2280, target 1.2050/1.2000

MACRO VIEW

- Yesterday Nifty and Sensex, both closed a percent lower, led by decline in the banking and financial stocks. Broader market held up well, with mid-cap and small-cap indices outperforming the frontline indices. USDINR closed around the same levels it was on Wednesday, at 71.77 on spot. However, intra-day the pair touched a high of 72.09 before coming under selling from pressure from speculators and exporters. Exporters have been very active around 72.00 to hedge their exports. News of China not looking to retaliate to fresh tariff hikes from US calmed nerves and helped Rupee recover. Indian 10 year bond yields softened by 2 bps at 6.55%. Bond yields have hardened quite a bit since the July lows of 6.25%. Market participants expect the new benchmark to trade at a premium with yields near 7.30% on the new 10 year paper. FPI inflows continue in the debt segment and that is a positive factor for the bond prices.
- US stocks, along with global stocks did a U-turn on news on trade war. Overnight US stocks closed over a percent higher. US treasury yield curve reduced its degree of inversion with 10 year and 30 year yields rising.
- Asian equity indices are up over a percent. Asian currencies are trading higher against USD. However, USDCNY continues to fix higher but not as high as was expected by market today. USDCNH is now at 7.1550 levels. SGX Nifty is showing that onshore Nifty may open higher around 50/60 points, closer to 11,000.
- Brent crude oil rallied overnight at 61.00 dollars a barrel. Gold, front month futures have corrected and are now at 1534 dollars.
- RBI has released its annual report for FY19 and it makes for an interesting read. RBI's sharp increase in income led it to transfer a record high surplus of 1.76 lakh crore rupees to the government (including 28,000 core rupees as interim dividend). Income was driven by higher interest income due to OMOs, accounting change in recording FX gains, and writing back of excess risk provisions.
- Today key data to watch from India will be the core sector growth for July, which is expected to tick higher to 1% growth y/y. Then it will be the GDP for April-June 2019 quarter, which is expected to slow down to 5.5%-5.6%. Both these day would impact on Tuesday as they will be right after FX markets close for the extended weekend. At the same time, keep an eye on the news flashes relating to trade war. The standoff between China and the US remains fluid and still highly unpredictable given the mixed messages this summer but the conciliatory tone out of Beijing suggests that there is a growing internal pressure to ease the conflict as the economic burden is clearly starting to take its toll.

*** CHART ON NEXT PAGE ***

USD/CNH · 10 · OANDA · 06.72323 H6.72323 L6.70606 C6.72006 -0.00317 (-0.05%)

EMA (110, close) [icon] [icon]

Ichimoku (9, 26, 52, 26) [icon] [icon] [icon] [icon] 6.71021 6.71021 6.79464 6.75092 6.80621



DOLLAR CNH-DAILY

Trend remains upward

Source: TradingView

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