

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.64	-0.30%	-6.2%	7%
EUR/INR	79.37	0.06%	-5.7%	4%
GBP/INR	89.01	-0.14%	-6.2%	3%
JPY/INR	61.48	-0.18%	-6.3%	7%
EUR/USD	1.1395	0.02%	0.7%	-4%
GBP/USD	1.2781	-0.08%	0.1%	-6%
USD/JPY	113.39	-0.08%	0.4%	1%
USD/CNH	6.9398	0.06%	-0.5%	5%
10 YR YIELD- IN	7.62	0.01	(0.21)	0.56
10 YR YIELD- USA	3.02	(0.01)	(0.10)	0.61
GOLD (\$/Oz)	1,225	0.1%	1%	-4%
SILVER (\$/Oz)	14.33	0.2%	1%	-13%
BRENT CRUDE (\$/Brl)	59.75	0.4%	-21%	-6%
COPPER 3M (\$/Ton)	6212	0.2%	1%	-8%
NIFTY	10911	0.48%	5.05%	7%
HANGSENG	26627	0.66%	6.59%	-9%
S&P 500	2738	-0.22%	0.96%	3%
INR 1M FWD	0.24	0.00	(0.03)	0.02
INR 2M FWD	0.47	0.00	(0.07)	0.04
INR 3M FWD	0.69	0.00	(0.10)	0.04
INR 6M FWD	1.43	0.00	(0.17)	(0.02)
INR 12M FWD	2.78	(0.03)	(0.28)	(0.01)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	162	720	(3,032)	(5,038)
FII INVESTMENT- DEBT (\$ Mn)	100	944	(408)	(7,518)
TOTAL- (\$ Mn)	262	1,664	(3,440)	(12,556)

CURRENCY	ECONOMIC DATA
EUR	G20 Meetings CPI Flash Estimate

INDIA NEWSWIRE

- In order to encourage non-banking financial companies (NBFCs) to securitise more of their assets and improve liquidity, RBI halved the minimum holding period of their loans of above five years. According to the revised norms, loans of original maturity of more than five years can be securitised after receiving the repayment of six-month instalments or two quarterly instalments.
- Ashima Goyal, Member of prime Minister's Economic Advisory Council (PMEAC), on Thursday said GDP growth rate numbers need to be taken with a pinch of salt as they come out of a very complex process. Commenting on the GDP data she said, that the investment is lower with an increased GDP, which means productivity is higher. She also added that GDP growth can be 7.5% in Q2FY19.

WORLD NEWSWIRE

- European Central Bank said that downside risks to global growth remain more pronounced, largely led by stress in EM economies and uncertain political landscapes. They added that a number of market indicators appear to signal downside risks to macro-financial cycle in the US.
- The minutes of the latest Fed monetary policy huddle still seemed to support a December hike but hinted at a slower pace of tightening next year. As for downside risks, policymakers pointed to "high levels of uncertainty regarding the effects of fiscal and trade policies on economic activity and inflation." Upside risks from "greater-than-expected effects of fiscal stimulus and high consumer confidence" were also highlighted.
- Growth in China's vast manufacturing sector stalled in November. PMI fell to 50.0 in November from 50.2 in October. Growth in China's services industry also slowed for the second straight month in November. Services PMI fell to 53.4 from 53.9 in October.

FX VIEW

Rupee on front foot once again, as the USD/INR pair trades below 70.00 handle for the second day in a row. Oil is in toil and stocks on the boil, so there is little reason for traders to ignore the carry in Rupee. Dollar is struggling against major global currencies, as doubts mount over whether Fed can continue to sound so sanguine about raising interest rates at the current pace of a hike per quarter, into next year. Once the US new US Congress convenes, there is fear that skirmishes can begin between Democrats and the US President. As a result, legislations can get stalled and even the debt ceiling can become a major issue come Feb-March. Money flow has reversed, away from DMs towards EMs, though it is not yet a gush but it is enough to keep the EM currencies joggling against the US Dollar.

There are a couple of event risks lined up which can shake the complacency in USD/INR as well. First up is the G-20 meeting this weekend. If the trade talks between US and China fail to progress, then US may impose a fresh set of tariffs on China, triggering a negative impact on EM assets and EM currencies. It will be followed by the results from the state elections. If BJP losses 2 states or more, then it can be negative for INR as market will start pricing in a political risk premium going into the national elections, scheduled for the summer of 2019. At the same time, if BJP does well and scores at least 2 wins, then Rupee can show some more gains. Therefore, with the event risks lined up in December, we would advise exporters and importers to consider insuring their exposures through option strategies. For details kindly get in touch with our sales desks.



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