

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	68.64	-0.06%	-0.2%	6%
EUR/INR	80.37	0.18%	0.4%	6%
GBP/INR	90.09	-0.02%	-0.4%	6%
JPY/INR	61.93	0.13%	-0.2%	6%
EUR/USD	1.1709	0.03%	0.6%	-1%
GBP/USD	1.3125	-0.06%	-0.1%	-1%
USD/JPY	110.88	-0.14%	0.0%	1%
USD/CNH	6.8272	0.01%	2.0%	1%
10 YR YIELD- IN	7.79	(0.01)	(0.12)	1.32
10 YR YIELD- USA	2.97	0.00	0.11	0.68
GOLD (\$/Oz)	1,221	0.0%	-2%	-4%
SILVER (\$/Oz)	15.46	-0.1%	-2%	-8%
BRENT CRUDE (\$/Brl)	74.78	-0.3%	-6%	42%
COPPER 3M (\$/Ton)	6250	-0.7%	-6%	-1%
NIFTY	11301	-0.16%	5.48%	12%
HANGSENG	28560	-0.60%	-1.36%	5%
S&P 500	2803	-0.58%	3.10%	13%
INR 1M FWD	0.25	(0.00)	0.01	(0.00)
INR 2M FWD	0.51	0.01	(0.01)	0.00
INR 3M FWD	0.75	(0.01)	0.03	0.01
INR 6M FWD	1.51	(0.01)	0.05	0.02
INR 12M FWD	3.01	0.01	0.02	0.07
	1 DAY	MTD	QTD	YTD
FII INVESTMENT- EQ (\$ Mn)	82	97	97	(524)
FII INVESTMENT- DEBT (\$ Mn)	(27)	(103)	(103)	(6,212)
TOTAL- (\$ Mn)	54	(5)	(5)	(6,736)

CURRENCY	ECONOMIC EVENT
JPY	BoJ Monetary Policy Meeting
EUR	Prelim Flash GDP & CPI

INDIA NEWSWIRE

1. A national regulator for the e-commerce sector with which all digital businesses will be legally bound to register has been recommended by a task force to the government. It has also suggested that major e-retailers and social media platforms be made to store the data of users in local servers, apart from a limited easing of foreign direct investment (FDI) rules for certain MSME.
2. SBI slashed its shorter term bulk deposit rates by 25-45 basis points, while increasing the longer term bulk deposit rates by 5 bps to 60 bps.

WORLD NEWSWIRE

1. In US, contracts to buy previously owned homes unexpectedly rose in June after two straight monthly declines. The National Association of Realtors said on Monday its Pending Home Sales Index, based on contracts signed last month, increased 0.9 per cent, beating estimates.
2. China reported on Tuesday that factory activity was slightly lower than expected in July, with the official manufacturing PMI coming in at 51.2, underperforming estimates. At the same time, China's official services PMI also fell in July, with the reading data coming in at 54.0 from 55.0 in June.

FX VIEW

Back after fortnight, but nothing much has changed in key currency pairs over this period. USDINR is still struggling to break past 69.00 handle and the majors are caught within a range of just 100 pips. Only thing that has moved higher, is the stock market, Nifty has climbed to an all time high, even as the broader market has languished, indicating a thin breadth. Weak breadth is not just hallmark of the Indian bull market but also of the US bull run as well. Various analysts and investors have pointed towards the thin breadth and warned that it could be a harbinger of a bearish trend change in global equity market. Till now they have been proven wrong but the logic that bull run driven by few stocks are tenuous is a strong one and hence we need to keep a close watch on market trend. As of now, a risk on mood in global equities and still benign movement in domestic bond yields (which too has not budged during our absence), shall keep the Rupee supported. At the same time, weak drift in Yuan and still elevated oil prices is not allowing Rupee to score meaningful gains. All in all, a limbo is in place. Trading this limbo is good for brokers but bad for traders. One can consider writing options on USDINR but in that too, they run a risk of a sudden explosion in volatility. If one believes that risk is worth taking, then one can consider selling options and collect premium but do maintains stops below 68.20 and 69.10 on spot. Technically, on the onshore spot market, July low of 68.25 is key support. USD shorts need to maintain a soft stop above 69.10 on spot. Traders not looking to commit to positional trades. Can continue to buy the dips closer to 68.25/40 range and sell closer to 68.85/69.05 range on spot. Bearish reversal for may occur below 68.25 on spot.

Majors are all quiet, with Euro recovering above 1.17 levels against USD. Even EURINR is stuck within a range of 79.50 and 81.00 on spot. We would be buyers on decline with stops below 79.00 on spot on a daily closing basis. Asian traders are focussing on Bank of Japan meeting today. There are expectations in some quarters that Bak of Japan may weak their monetary policy to accommodate a steeper a yield curve. Hence, keep an eye on JPY pairs today, it can be quite volatile. On GBPINR, the pair is well supported around 89.00 levels on spot. Long bets can be considered with stops below 89.00 on a daily closing basis.

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