

Market Outlook

On Friday, the rupee opened flat at 73.6350 and hovered in range of 73.3500 and 74.2100 throughout the week against the US dollar on fresh dollar selling by exporters amid easing crude oil prices and a weakening greenback. Moreover, the RBI steps to ease liquidity concerns of NBFCs, steep fall in Brent crude prices following a surprise in US stockpiles and lingering worries about Chinese growth outlook bolstered the rupee sentiment. On the flip side dollar fell against major Asian peers showed pressures in the U.S. housing market continued last month.

Fundamental News

- Euro drop steeply as the European Commission's criticism of Italy's populist budget sparked fresh concerns about political tensions in the common currency zone.
- The British pound hit a fresh 11-day low on Friday, but rebounded slightly as an EU-UK summit failed to yield a decision on Britain's exit from the euro zone.

Currency Future

| Currency | Date | Date | % Chg |
|----------|----------|----------|--------|
| | 12-10-18 | 19-10-18 | |
| USDINR | 73.7025 | 73.3900 | -0.42% |
| EURINR | 85.4500 | 84.2325 | -1.42% |
| GBPINR | 97.4025 | 95.6900 | -1.76% |
| JPYINR | 65.7200 | 65.3250 | -0.60% |

Global Updates

- China Sept new loans rise to 1.38 trln yuan, above forecasts.
- Public sector net borrowing in September 2018 was £4.1 billion, £0.8 billion less than in September 2017; this was the lowest September borrowing for 11 years
- India FX Reserves, USD down to \$394.47B from previous \$399.61B.
- Hong Kong SAR Unemployment rate remains unchanged at 2.8% in September.
- European Monetary Union Current Account n.s.a below forecasts €21.4B in August: Actual €20.5B.
- China Gross Domestic Product (QoQ) meets forecasts (1.6%) in 3Q.

USDINR



Reference Rate

| Currency | Date | Date | % Chg |
|----------|----------|----------|--------|
| | 12-10-18 | 19-10-18 | |
| USDINR | 73.7967 | 73.4354 | -0.49% |
| EURINR | 85.5545 | 84.1741 | -1.61% |
| GBPINR | 97.6537 | 95.6525 | -2.05% |
| JPYINR | 65.6700 | 65.2700 | -0.61% |

Currencies vs \$

| Currency | 12-09-18 | 19-10-18 | % Chg |
|--------------|----------|----------|--------|
| Rupee | 73.625 | 73.475 | -0.20% |
| Dollar Index | 95.08 | 95.64 | +0.59% |
| Euro | 1.1582 | 1.1514 | -0.59% |
| Pound | 1.3222 | 1.3081 | -1.07% |
| Japanese Yen | 112.30 | 112.55 | +0.22% |
| Swiss Franc | 0.9917 | 0.9960 | +0.43% |
| Canadian\$ | 1.3007 | 1.3104 | +0.75% |

Global Commodities

| Commodity | 12-10-18 | 19-10-18 | % Chg |
|-----------|----------|----------|--------|
| Gold | 1224.30 | 1230.00 | -0.47% |
| Silver | 14.640 | 14.650 | +0.07% |
| Crude | 71.50 | 69.37 | -2.98% |
| Copper | 2.818 | 2.782 | -1.28% |

OUR PREVIOUS CALLS UPDATE

Weekly pick

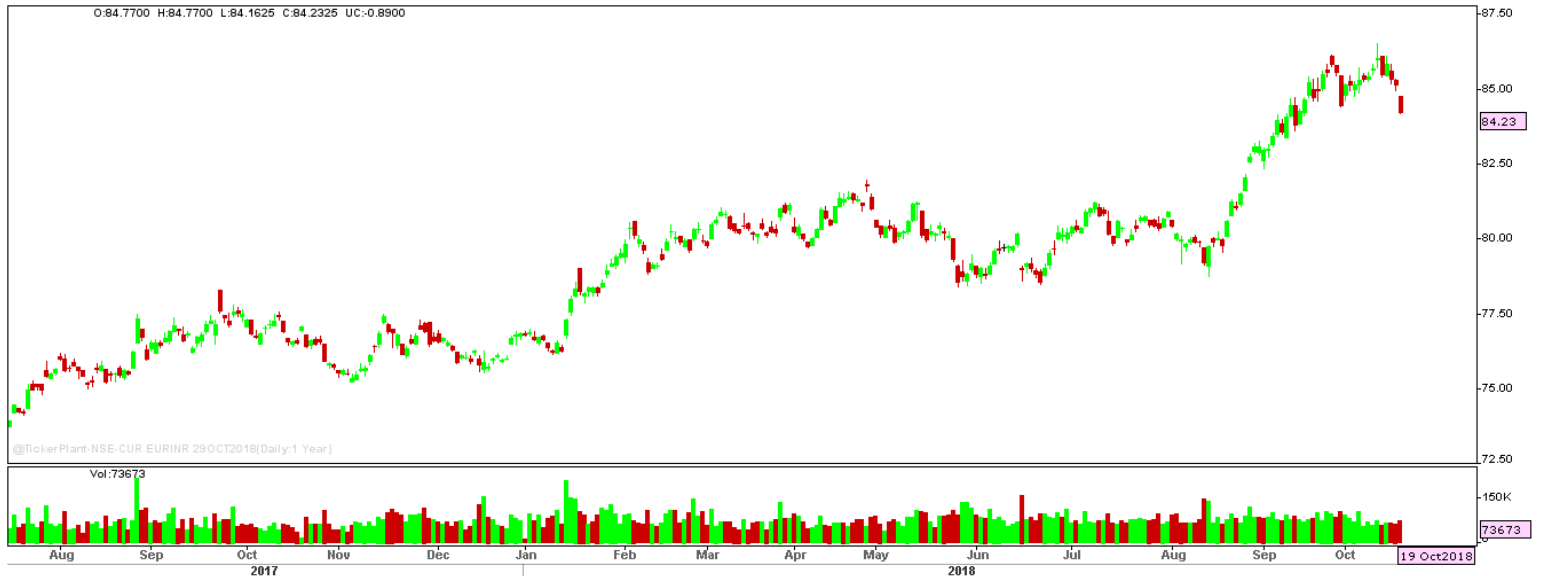
| Date | Currency | Entry | Exit | P/L |
|-------|-----------|--------|--------|--------|
| 08/10 | JPYINR(L) | 65.675 | 66.175 | +20000 |

USDINR



USDINR showed sideways to negative movements throughout the week and closed on lower levels. Now, immediate and strong support for the particular currency pair is seen around 73.0000 mark sustaining below which may give more bearish movements towards next support zone of 72.5000.

EURINR



EURINR found strong resistance on higher levels and showed sharp negative movements on last trading session of the week closed around its support. Now, if able to sustain below psychological level of 84.0000 in upcoming week than it may find next support around 83.2000.

Pivot Table

| Currencies | S1 | S2 | S3 | R1 | R2 | R3 |
|------------|---------|---------|---------|---------|---------|---------|
| USDINR | 73.0000 | 72.7000 | 72.3000 | 73.7000 | 74.0000 | 74.3000 |
| EURINR | 83.8000 | 83.5000 | 83.2000 | 84.7000 | 85.0000 | 85.3000 |
| GBPINR | 95.2000 | 94.8000 | 94.5000 | 96.0000 | 96.4000 | 96.8000 |
| JPYINR | 64.8000 | 64.5000 | 64.2000 | 65.6000 | 66.0000 | 66.3000 |

Event Calendar 22nd October to 26th October 2018

| Date | Time | Currency | Event | Forecast | Previous |
|--------|---------|----------|-----------------------------------|----------|----------|
| 22-Oct | 8:30am | CAD | Wholesale Sales m/m | - | 1.50% |
| 23-Oct | 6:00am | GBP | CBI Industrial Order Expectations | - | -1 |
| 24-Oct | 3:15am | EUR | French Flash Manufacturing PMI | - | 52.5 |
| 24-Oct | 3:15am | EUR | French Flash Services PMI | - | 54.8 |
| 24-Oct | 3:30am | EUR | German Flash Manufacturing PMI | - | 53.7 |
| 24-Oct | 3:30am | EUR | German Flash Services PMI | - | 55.9 |
| 24-Oct | 4:00am | EUR | Flash Manufacturing PMI | - | 53.2 |
| 24-Oct | 4:00am | EUR | Flash Services PMI | - | 54.7 |
| 24-Oct | 10:00am | CAD | BOC Monetary Policy Report | - | - |
| 24-Oct | 10:00am | CAD | BOC Rate Statement | - | - |
| 24-Oct | 10:00am | CAD | Overnight Rate | 1.75% | 1.50% |
| 24-Oct | 11:15am | CAD | BOC Press Conference | - | - |
| 25-Oct | 7:45am | EUR | Main Refinancing Rate | 0.00% | 0.00% |
| 25-Oct | 8:30am | EUR | ECB Press Conference | - | - |
| 25-Oct | 8:30am | USD | Core Durable Goods Orders m/m | - | 0.00% |
| 26-Oct | 8:30am | USD | Advance GDP q/q | - | 4.20% |



USDINR closed around the support levels as seen on daily chart and the currency pair is expected to give negative breakout below the trend line as shown in the chart above.

SELL BELOW 73.6000 TARGET 73.1000 SL 74.3000.

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