

MARKET HIGHLIGHTS (% change) as on 21-Aug-19

| INDICES | LAST | CHANGE | WOW | MOM |
|-------------|----------|--------|-------|-------|
| SENSEX* | 37060.37 | -0.72 | 0.28 | -4.96 |
| NIFTY* | 10918.7 | -0.90 | -0.07 | -6.21 |
| S&P 500 | 2924.43 | 0.82 | -0.06 | -2.42 |
| FTSE 100 | 7203.97 | 1.10 | -0.7 | -4.01 |
| CAC 40 | 5435.48 | 1.67 | 1.33 | -2.12 |
| HANG SENG | 26270.04 | 0.15 | 3.76 | #N/A |
| KOSPI* | 1964.65 | 0.22 | 1.98 | -5.19 |
| DJIA | 26202.73 | 0.92 | -0.29 | -3.89 |
| NYMEX CRUDE | 55.68 | -1.19 | -2.55 | #N/A |
| COMEX GOLD | 1504.6 | 0.00 | 0.16 | 5.22 |

Source: Reuters

CURRENCY HIGHLIGHTS (% change) as on 21-Aug-19

| CURRENCY | LAST | CHANGE | WOW | MOM |
|----------|---------|--------|-------|-------|
| INR | 71.43 | -0.15 | 0.51 | -3.64 |
| DX | 98.30 | 0.11 | 0.15 | 1.06 |
| EURUSD | 1.1083 | -0.14 | -0.21 | -1.13 |
| EURINR | 79.16 | -0.20 | -0.29 | 2.40 |
| GBPUSD | 1.2126 | -0.35 | 0.35 | -2.87 |
| GBPINR | 86.62 | -0.49 | -0.16 | 0.75 |
| USDJPY | 106.61 | 0.37 | 0.47 | -1.17 |
| JPYINR | 66.9796 | -0.53 | 0.98 | -4.85 |

Source: Reuters

Technical outlook for 22-Aug-19

| Currency Futures | Trend | S2 | S1 | R1 | R2 |
|---------------------|----------|--------|--------|--------|--------|
| USDINR Aug'19 (NSE) | Sideways | 71 | 71.3 | 71.8 | 72.1 |
| EURINR Aug'19 (NSE) | UP | 79 | 79.3 | 79.8 | 80.1 |
| GBPINR Aug'19 (NSE) | UP | 86.1 | 86.4 | 87.1 | 87.4 |
| JPYINR Aug'19 (NSE) | Down | 66.9 | 67.2 | 67.5 | 67.8 |
| EURUSD Aug'19 (NSE) | UP | 1.1048 | 1.1078 | 1.1138 | 1.1168 |
| GBPUSD Aug'19 (NSE) | UP | 1.2076 | 1.2106 | 1.2166 | 1.2196 |
| USDJPY Aug'19 (NSE) | Sideways | 106.42 | 106.43 | 106.44 | 106.45 |

FUNDAMENTAL OUTLOOK

Key Highlights

India's inflation remains muted
US China trade talks progressing well
Hard Brexit uncertainties increases

Indian rupee

Indian Rupee appreciated by 0.15 percent yesterday while the Dollar increased by 0.11 during the same time frame. India CPI inflation eases to 3.14% in July'19. RBI decided to cut repo rate by 35 bps in its latest meeting. It lower India's GDP growth rate for FY20 to 6.9 percent from 7 percent.

US retail sales data came at 0.7 percent for Jul'19 against market expectations of 0.3 percent. Meanwhile, the meeting minutes document gave the greenback a modest lift, despite most policymakers viewed the recent rate cut as part of a mid-cycle adjustment in response to the recent changes in the economic outlook. In general, officials weren't able to agree on the rate cut, but most of them agreed that forward guidance and QE might not be enough. Also, US Commerce department extends deadline for Huawei until Nov'19. Jackson Hole Symposium will be held in this week.

USDINR is expected to move sideways in today's session.

Euro

EURUSD depreciated by 0.14 percent yesterday while EURINR appreciated by 0.2 percent the same time frame.

Political turmoil in Italy, as Deputy PM, Matteo Salvini, said that a 50B euro budget is necessary in 2020 to bring about a "shock" fiscal stimulus program, while PM Conte resigned after Salvini broke their coalition government and called for an election. Salvini, later declared that he is willing to stay in the government to approve the budget.

EURINR is expected to depreciate in today's session.

GBP

GBP decreased against USD by 0.35 percent yesterday while GBPINR appreciated by 0.49 percent.

French President Emmanuel Macron said that he expects the UK to leave the EU without a deal, while UK PM Boris Johnson met German Chancellor Angela Merkel in Berlin, on hopes they can ditch the Irish backstop, despite the multiple times EU authorities denied such a chance. Chancellor Merkel challenged PM Johnson to come up with a solution to avert a no-deal Brexit in the next 30 days, rolling the ball back to the UK's side of the court

GBPINR is expected to depreciate in today's session.

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