



# LKP

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## ❖ Currency

- USDINR
- EURINR
- GBPINR
- JPYINR

## CURRENCY MARKET- UPDATES



### LKP SECURITIES LIMITED

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# CURRENCY - UPDATE

Market Update											
Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP	RBI Rate
USD-INR	Dec 2018	70.82	70.93	70.54	70.66	↓ -0.03	1411703	0.08	1859230	70.73	70.517
EUR-INR	Dec 2018	80.24	80.56	79.60	80.38	↓ -0.55	48390	1.49	55914	80.33	79.837
GBP-INR	Dec 2018	90.46	90.52	89.72	90.41	↓ -0.42	25137	-4.37	93917	90.08	89.446
JPY-INR	Dec 2018	62.80	62.95	62.58	62.71	↓ -0.23	28865	9.60	29312	62.73	62.370

Currency Spot (Asian Trading)					
Particulars	Open	High	Low	LTP	% Change
EURUSD	1.1347	1.1352	1.1339	1.1344	↓ -0.02
EURGBP	0.8908	0.8923	0.8903	0.8916	↑ 0.10
EURJPY	128.37	128.42	127.81	127.85	↓ -0.41
GBPJPY	144.05	144.11	143.33	143.38	↓ -0.47
GBPUSD	1.2733	1.2738	1.2716	1.2722	↓ -0.09
USDJPY	113.13	113.17	112.67	112.70	↓ -0.37

Economic Data		
TIME	ZONE	DATA
12:30pm	EUR	German Factory Orders m/m
All Day	All	OPEC Meetings
6:00pm	USD	Challenger Job Cuts y/y
6:45pm	USD	ADP Non-Farm Employment Change
7:00pm	USD	Revised Nonfarm Productivity q/q
7:00pm	USD	Revised Unit Labor Costs q/q
7:00pm	USD	Trade Balance
7:00pm	USD	Unemployment Claims
8:15pm	USD	Final Services PMI
8:30pm	USD	ISM Non-Manufacturing PMI
8:30pm	USD	Factory Orders m/m
9:30pm	USD	Crude Oil Inventories
10:45pm	USD	FOMC Member Bostic Speaks

Global Market					
Indices	Close	% Cng	Indices	Close	% Cng
BSE	35884.4	-0.69	Dow Jones	25027.1	-3.10
Nifty	10782.9	-0.80	Nasdaq	7158.4	-3.80
Nikkei	21515.0	-1.84	S&P 500	2700.1	-3.24
HangSeng	26093.2	-2.71	Bovespa	58487.0	1.44
Straits	2003.4	0.06	CAC 40	4970.8	-0.83
Shanghai	3112.8	0.21	DAX	11252.9	-0.73
Jakarta	6133.1	-0.32	FTSE 100	6921.8	-1.44

### Trading activity on NSE and BSE in Capital Market Segment (In Rs. Crores)

5/12/2018	Buy Value	Sell Value	Net Value
FII's	5,062.16	5,419.98	-357.82
DII's	2,303.99	3,095.58	-791.59

Source - NSE



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# CURRENCY - UPDATE

## NSE-CUR USDINR Dec 2018



Rupee gained slightly after the Reserve Bank of India kept its benchmark repo rate unchanged at 6.50% while reducing its inflation target for H2 2019. The Reserve Bank of India (RBI) kept interest rates unchanged at a policy meeting to offer support for an economy that has lost some momentum, in a decision that was widely expected as inflation has eased significantly. The monetary policy committee (MPC) kept the repo rate unchanged at 6.50 percent as predicted. The central bank also retained its 'calibrated tightening' stance as expected. The central bank said starting in the January-March quarter of 2019 it would begin to lower banks' mandatory bond holding ratios by 25 basis points each quarter until it reaches 18 percent of deposits, in a move aimed to push banks to lend more. India's growth in the July-to-September quarter "seems disappointing," Economic Affairs Secretary Subhash Chandra Garg said. Earlier, government data showed that Asia's third-largest economy grew a lower-than-expected 7.1 percent in the quarter on an annualised basis, from a more than two-year high of 8.2 percent in the previous quarter. India's economic growth fell to a worse-than-expected 7.1 percent in the July-September quarter, dragged down by a slower consumer spending and farm growth, in a setback for Prime Minister Narendra Modi who faces a national election by May. India's April-October fiscal deficit stood at 6.49 trillion rupees (\$93.23 billion), or 103.9 percent of the budgeted target for current fiscal year, government data showed. Technically now USDINR is getting support at 70.475 and below same could see a test of 70.3175 level, And resistance is now likely to be seen at 70.8575, a move above could see prices testing 71.0825.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
70.82	70.93	70.54	70.66	-0.03	-0.02	1,859,230	1411703	70.88	71.09	71.26	70.71	70.50	70.33	70.11

### Trading Ideas :

- # USDINR trading range for the day is 70.33-71.09.
- # Rupee gained slightly after the Reserve Bank of India kept its benchmark repo rate unchanged at 6.50% while reducing its inflation target for H2 2019.
- # The central bank said starting in the January-March quarter of 2019 it would begin to lower banks' mandatory bond holding ratios by 25 basis points each quarter.
- # India's economic growth fell to a worse-than-expected 7.1 percent in the July-September quarter, dragged down by a slower consumer spending and farm growth.
- # RBI Reference Rate for USDINR was at 70.5171.
- # KEDIA: BUY USDINR ABV 70.65 SL BELOW 70.45 TGT 70.80-70.94. (BTST)



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# CURRENCY - UPDATE

## NSE-CUR EURINR Dec 2018



Euro dropped on increased demand for US Greenback but downside move was limited thanks to US yield curve inversion. During speech yesterday FOMC member Williams said that he sees further gradual hikes over "the next year or so," adding that the Fed could change forward guidance but that the dot-plot will remain. Investors sentiments sagged as UK PM May outlined the possibility of a 'no deal' Brexit as she defended her withdrawal agreement before the House of Commons Liaison committee. Eurozone producer price inflation accelerated further in October, defying expectations, figures from Eurostat showed. Producer prices rose 4.9 percent year-on-year after a revised 4.6 percent in September. Eurozone's manufacturing growth slowed less-than-expected in November, amid marginal growth in output and weak business confidence, and was the lowest since August 2016, final data from IHS Markit showed. The manufacturing purchasing managers' index fell to 51.8 from 52 in October. The flash reading was 51.5. Eurozone's consumer price growth slowed to its lowest level in three months in November and the core inflation unexpectedly eased, preliminary figures from the Eurostat showed. The consumer price index rose 2 percent year-on-year following a 2.2 percent increase in October. Core inflation, which excludes change in the prices of energy, food, alcohol & tobacco, dropped to 1 percent from 1.1 percent in October. Technically now EURINR is getting support at 79.84 and below same could see a test of 79.24 level, And resistance is now likely to be seen at 80.8, a move above could see prices testing 81.16.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
80.24	80.56	79.60	80.38	-0.55	-0.45	55,914	48390	80.76	81.14	81.72	80.18	79.80	79.22	78.84

### Trading Ideas :

- # EURINR trading range for the day is 79.22-81.14.
- # Euro dropped on increased demand for US Greenback but downside move was limited thanks to US yield curve inversion.
- # Eurozone producer price inflation accelerated further in October, defying expectations, figures from Eurostat showed.
- # Eurozone's consumer price growth slowed to its lowest level in three months in November and the core inflation unexpectedly eased.
- # RBI Reference Rate for EURINR was at 79.8366.
- # SELL EURINR DEC 2018 @ 80.55 SL 80.80 TGT 80.38-80.10. NSE





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# CURRENCY - UPDATE

## NSE-CUR JPYINR Dec 2018



JPY traded in range as the dollar remained under pressure after the U.S. bond market sent worrisome signs about economic growth overnight, adding to fears that the Federal Reserve could put its rate-hike cycle on hold. Investors remained nervous over an inversion of the yield curve between three-year and five-year U.S. Treasury notes and between two-year and five-year notes. Interest rate hikes have sent short-dated yields higher, even as slowing economic growth expectations have kept longer-dated yields down. Bank of Japan Deputy Governor Masazumi Wakatabe said the country could slide back into deflation if the economy comes under downward pressure again, highlighting risks such as the fallout from U.S.-China trade frictions. Wakatabe, a vocal advocate of aggressive monetary easing, said it was important to maintain the BOJ's massive stimulus program to ensure the economy remains strong enough to nudge up prices and wages. But he noted the central bank would be vigilant to the side-effects of prolonged easing, as its huge purchases dry up bond market liquidity and near-zero interest rates hurt financial institutions' profits. "It's necessary to continuously examine not only the effects of our policy on inflation, but also the impact on financial markets and the banking system," Wakatabe said in a speech to business leaders in Niigata, northern Japan. "Doing so would enhance the sustainability of our policy and heighten the chance of achieving 2 percent inflation." Technically now JPYINR is getting support at 62.45 and below same could see a test of 62.3325 level, And resistance is now likely to be seen at 62.8175, a move above could see prices testing 63.0675.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
62.80	62.95	62.58	62.71	-0.23	-0.14	29,312	28865	62.91	63.12	63.3	62.7	62.5	62.38	62.18

### Trading Ideas :

- # JPYINR trading range for the day is 62.38-63.12.
- # JPY traded in range as the dollar remained under pressure after the U.S. bond market sent worrisome signs about economic growth overnight.
- # BoJ's Wakatabe: Can't deny chance of prices not rising easily. Sales tax hike poses a risk to economy, inflation
- # BoJ's Wakatabe: Downward pressure on economy could prompt deflation, BoJ will continue easing to raise inflation
- # RBI Reference Rate for JPYINR was at 62.37.
- # BUY JPYINR DEC 2018 @ 62.90 SL 62.60 TGT 63.10-63.30. NSE



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# CURRENCY - UPDATE

## SPREAD MATRIX FOR USDINR

MONTH	RATE	DEC	JAN	FEB
DEC	70.66		0.225	0.44
JAN	70.89			0.21
FEB	71.10			

## SPREAD MATRIX FOR EURINR

MONTH	RATE	DEC	JAN	FEB
DEC	80.38		0.46	0.93
JAN	80.85	-3.00		0.46
FEB	81.31	-5.00		

## SPREAD MATRIX FOR GBPINR

MONTH	RATE	DEC	JAN	FEB
DEC	90.41		0.455	0.92
JAN	90.86	-3.00		0.47
FEB	91.33	-5.00		

## SPREAD MATRIX FOR JPYINR

MONTH	RATE	DEC	JAN	FEB
DEC	62.71		0.33	0.57
JAN	63.04			0.24
FEB	63.29			

## MAJOR CURRENCY CROSS RATES

Last Trade		INR	U.S. \$	Euro €	U.K. £	Yen
1 INR	=	-	0.0142	0.0125	0.0111	1.5959
1 U.S. \$	=	70.550	-	0.8813	0.7861	112.700
1 Euro €	=	80.059	1.1344	-	0.8916	127.85
1 U.K. £	=	89.738	1.2722	1.1215	-	143.38
1 Yen	=	0.6254	0.0089	0.7821	0.0070	-

## RBI Reference Rate

Date	Last	Previous
USD	70.517	70.517
EURO	79.837	79.837
YEN	62.370	62.370
GBP	89.446	89.446



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