

USDINR:

Indian rupee will open sharply lower after back-to-back factors hit the domestic unit. Moody's downgrade followed by poor Industrial production in September and overnight Donald Trump threatened a new escalation of the trade war with China, saying US tariffs on Chinese goods would be "raised very substantially" if no truce was reached with officials in Beijing. Although we may see some selling in dollars from Exporters end but again the upside in rupee is limited ahead of CPI release which is likely to hit beyond 4%, the upper bound of RBI target inflation band.

EURINR:

Euro continues to drift lower against US dollar. Bout of uncertainty in trade war bided dollar to outperform against euro. Mr. Trump said a "significant phase one deal with China" remained "close" and "could happen soon", as Beijing was "dying to make a deal". But he also warned that higher levies would follow if the talks faltered. German October CPI is due to release later in the day which may not be worthy to look upon the depressed price level of euro-zone. For the day, EURINR will guided by INR move.

GBPINR:

Pound hold steady after Brexit Party leader gave a huge concession to Boris Johnson's conservative party by not to compete in their seats. Pound is risen and fallen by the changes in stance from political leaders ahead of general election on 12th December. Although the sentiment remains slightly biased towards upside after Q3 GDP print helped UK economy to avoid a technical recession. Later in the day, October CPI release may follow a modest uptick as imported inflation remains subdued in last month. For the day, GBPINR likely to remain positive amid weakness in rupee.

Economic Data

	IST	Previous	Median	SMC's Forecast
GBP UK CPI y/y	15:00	1.7%	1.6%	1.6%
USD US CPI m/m	19:00	0.0%	0.3%	0.1%
USD US FED Chair Powell Speaks	21:30	-	-	-

Pivot Levels

Currency	Day's Trend	Pivot	S1	S2	S3	R1	R2	R3
USD/INR (NOV)	POSITIVE	71.52	71.42	71.28	71.17	71.66	71.77	71.91
EUR/INR (NOV)	POSITIVE	78.97	78.86	78.69	78.58	79.15	79.26	79.43
JPY/INR (NOV)	POSITIVE	65.65	65.54	65.36	65.25	65.83	65.94	66.12
GBP/INR (NOV)	POSITIVE	91.64	91.46	91.15	90.97	91.95	92.13	92.44

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