

MARKET HIGHLIGHTS (% change) as on 08-Feb-18

INDICES	LAST	CHANGE	WOW	MOM
SENSEX	34413.16	0.96	-4.34	0.18
NIFTY	10576.85	0.95	-4.16	-0.44
S&P 500	2581	-3.90	-9.34	-6.46
FTSE 100	7170.69	-1.52	-4.5	-7.33
CAC 40	5151.68	-2.02	-5.88	-6.52
HANG SENG	30451.27	0.42	-7.19	-1.47
KOSPI	2407.62	0.46	-6.68	-4.39
DJIA	23860.46	-4.33	-9.75	-5.96
NYMEX CRUDE	61.15	-1.05	-7.60	-0.95
COMEX GOLD	1316.9	0.40	-2.08	-0.13

Source: Reuters

CURRENCY HIGHLIGHTS (% change) as on 08-Feb-18

CURRENCY	LAST	CHANGE	WOW	MOM
INR	64.29	0.03	-0.50	-0.98
DX	90.23	-0.03	1.73	-2.55
EURUSD	1.2245	-0.14	-2.15	2.53
EURINR	79.09	0.32	-0.94	3.97
GBPUSD	1.3911	0.22	-2.54	2.67
GBPINR	89.434	0.26	-2.03	3.62
USDJPY	108.74	-0.52	-0.60	-3.59
JPYINR	59.1172	0.57	-1.12	-4.62

Source: Reuters

Technical outlook for 9-Feb-18

Currency Futures	Trend	S2	S1	R1	R2
USDINR Feb'18 (NSE)	Sideways	64.1	64.25	64.55	64.7
EURINR Feb'18 (NSE)	Sideways	78.6	78.75	79.05	79.2
GBPINR Feb'18 (NSE)	Sideways	89.3	89.45	89.75	89.9
JPYINR Feb'18 (NSE)	Sideways	58.4 5	58.6	58.9	59.05

GLOBAL UPDATES

- Asian markets open on a negative note
- BOE keeps interest rates unchanged at 0.5%
- German parties reach agreement on the grand coalition deal
- ECB Governor calls for monitoring of currency volatility

FUNDAMENTAL OUTLOOK
Indian rupee

Yesterday rupee depreciated by 0.03 percent despite dollar index weakening by 0.03 percent. In the meeting the decision came in line with market expectations but the degree of hawkishness in the policy provided a breather to the market. Inflation touched a 17 month high in Dec'17 at 5.21. Inflation is likely to taper off in the second half of FY19 and provide a stable working environment according to MPC. Hence RBI decided to keep interest rates unchanged at 6%. Also, Indian equity market remained positive during the day with a surge of around 0.96 percent in Nifty Index.

Unemployment claims for Jan'18 came in at 221,000 as compared to market expectations of 232,000. Also, final services come in line with market expectations at 53.3 in Jan'18. Non-farm payroll came in at 200,000 against market expectations of 180,000 for Jan'18. US trade deficit widens to \$53.1 billion in Dec'17.

USDINR is expected to move sideways in the coming session
Euro

EURUSD depreciated by 0.14 percent while EURINR depreciated by 0.32 percent during the same time frame.

Euro remained weak as Mario Draghi called for monitoring of the currency volatility. He also mentioned that inflation had remained subdued but economic growth has been on track. Also, German industrial production comes in line with market estimates at -0.6% for Jan'18. Euro services PMI comes in at 58 for Jan'18 against market expectations of 57.6. German factory orders rebounds to 3.8% in Jan'18 as compared to market expectation of 0.6%. Also, German parties go ahead with grand coalition.

EURINR is expected to move sideways in the coming session

GBP appreciated against the US dollar by 0.22 percent while GBPINR depreciated by 0.26 percent during the same time period.

Unemployment rate in UK for Dec'17 came in line with market expectations at 4.3%. However, services PMI from UK came lower than market expectations 53 against 54.1 in Jan'18. In the recent BOE meeting the committee decided to keep the interest rates unchanged at 0.5% but they saw the need for faster rate hike as they saw macro-economic conditions improving.

GBPINR is expected to move sideways in the coming session



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Currency: INE231279838 / MCX Currency SEBI Regn No: INE261279838 / Member ID: 10500