



BTC & Nasdaq leads risk on assets. INR enjoys goldilocks party as India stocks tops \$4 trn market cap

Indian Rupee- Outlook and Hedge trade Recommendations

Currency	Indicative	Trading range	Hedge advice for import	Hedge advice for exports.	Technical trend
Spot USDINR	83.32	83.07-83.44	Stay 90% hedged	Stay 80% hedged	RBI in total control

Outlook: USDINR stayed in a very tight range of 83.18-83.38 since last few weeks. Broadly speaking, trading range remained too narrow for too long. Since last 14 months, USDINR is captivated in an 81.65-83.35 range. RBI is in total control. Indian economy and currency both are in a sweet spot. Truly a goldilocks economy. 3Q GDP growth reported around 7.6, beating the estimates. Assembly elections showed ruling party shown excellent success. A decisive mandate boosted confidence in India story. Market cap beats 4 trillion mark, now too close Hon Kong which is worlds 4th largest stock market. Last Friday fed chief Powell sounds convincingly Dovish. Means rate peak is for sure. A rate cut is not very far. Weak dollar, peak interest rates, softening inflation is big welcome news for emerging economies, especially for those economies which are heavily dependent on foreign capital. All risk on assets such as Bitcoin, Big tech, emerging FX, emerging equities, and especially China yuan has shown smart rebound. India's trade deficit reached all time high around 31 bln USD for 3Q, Current acc deficit may increase due to elevated gold imports during 1H 2023. Short term range for USDINR is 83.08-83.48. Market awaits today's non farm pay roll and next wednesdays FOMC meet. Sentiment is buoyant amid bull market in everything- FOMO 2.0 returns.

Hedge Trade Recommendations: Stay mild under hedged in Exports. Imports may be covered 80-90% on every dips.

Currency	Indicative	Trading Range	Hedge Advice for import	Hedge advice for exports	Tec. Trend
Spot EURINR	89.92	89.50-90.80	85% hedge	Stay Optimal hedged	Rangebound

Outlook: INR is stable against USD but weakened against EUR and GBP due to broader weakness in Dollar index. JPY also posted smart rebound. EURUSD reacted lower ahead of today's job data. Market is keen to listen Fed chief Powell on next wednesday FOMC meet.

Hedge trade Recommendations: EURINR rally may stall for a while.

Currency	Indicative	Trading Range	Hedge Advice for import	Hedge advice for exports	Tec. Trend
GBPINR	104.92	103.80-105.80	Stay 85% hedge	Stay Optimal Hedged	Toppish

Outlook: GBPINR rally looks stalled for a while. Mild correction is overdue. UK political scenario seems increasingly unstable. Macro-economic scenario is also seen dismal amid stagflation and adverse external effects such as China recession, Ukraine war induced energy crisis etc. Sterling witnessed impressive rise against USD and several other currencies, but its now its own merit. This rise is powered by Dollar weakness and other such factors. GBP mostly benefited by best among worst mentality.

Hedge Trade Recommendations: Short term outlook seems choppy. Stable.

Currency	Indicative	Trading Range	Hedge Advice for import	Hedge advice for exports	Tec. Trend
JPYINR	0.5800	0.5680-0.5880	Stay fully hedged	Stay 80% hedge	Recovery bounce

Outlook: USDJPY made a smart recovery. JPY, CNY, BTC and NASDAQ are some of the risky assets which is smart comeback story. Short term bias is bullish due to unwinding of short- carry trades.

Hedge Trade Recommendations: Recovery bounce may lift JPY as pair is grossly oversold. JPYUSD range is 141-148.