

PAN Capital Services Ltd.

Innovation and Excellence in Capital Services

EXCELLENCE IN CAPITAL SERVICES

Morning Report 5th July, 2018

| Major Cur Pair | | | Emerging Currencies | | | Asian Equity | | |
|----------------|--------|----------|---------------------|---------|----------|--------------|----------|----------|
| Currency | Last | % Change | Currency | Last | % Change | Index | Last | % Change |
| EURUSD | 1.1653 | -0.01 | KRW | FALSE | 0.3 | Sensex | 35657.05 | 0.03 |
| GBPUSD | 1.3223 | -0.05 | IDR | 14420 | 0.51 | Nifty | 10774.2 | 0.04 |
| USDJPY | 110.36 | -0.08 | BRL | 3.9129 | -0.02 | Kospi | 290.65 | -0.55 |
| USDCHF | 0.9932 | 0.08 | CNY | 6.6365 | 0.11 | Shanghai | 2362.925 | -0.23 |
| USDCAD | 1.3152 | 0.1 | Ruble | 63.3088 | 0.06 | Nikkie | | |

| USDINR Forwards + DXY and Brent | | | | | World Equity | | |
|---------------------------------|--------|---------|---------|---------|--------------|----------|----------|
| Date | Points | Rate | Cash | 2.00 | Index | Last | % change |
| 31/08/2018 | 42.00 | 69.2475 | Tom | 1.50 | Dax | 12317.61 | 0.00 |
| 28/09/2018 | 65.50 | 69.4825 | NDF 1M | 69.1220 | CAC | 5320.5 | 0.00 |
| 31/10/2018 | 93.50 | 69.7625 | NDF 3M | 69.7160 | FTSE | 7573.09 | -0.27 |
| 30/11/2018 | 118.00 | 70.0075 | MCX 1 M | 69.0000 | Dow | 24174.82 | -0.54 |
| 31/12/2018 | 143.25 | 70.2600 | BRENT | 77.6800 | Nasdaq | 7014.554 | 0.00 |
| 31/01/2019 | 167.00 | 70.4975 | DXY | 94.5390 | S&P 500 | 2713.22 | -0.49 |

| USDINR OHCL | | | | | India Debt Market | | |
|-------------|---------|---------|-------|--------|-------------------|--------------|------------------------|
| | Open | High | Low | Close | Money market | | Mibor |
| Yesterday | 68.8 | 68.865 | 68.78 | 68.815 | G Sec 10 yr | 7.866 | 3M |
| 1 Week | 68.485 | 68.96 | 68.33 | 68.815 | MIFOR | | 12 Month T Bill |
| 1 Month | 68.8175 | 68.8175 | 68.82 | 68.815 | 3 M | record could | cord could in % |
| 6 Month | #N/A | | | | FII Action | | |
| 1 Year | 63.85 | 69.09 | 63.24 | 68.815 | Debt in USD M | Equity | |
| | | | | | -1865.8 | -9872.4 | |

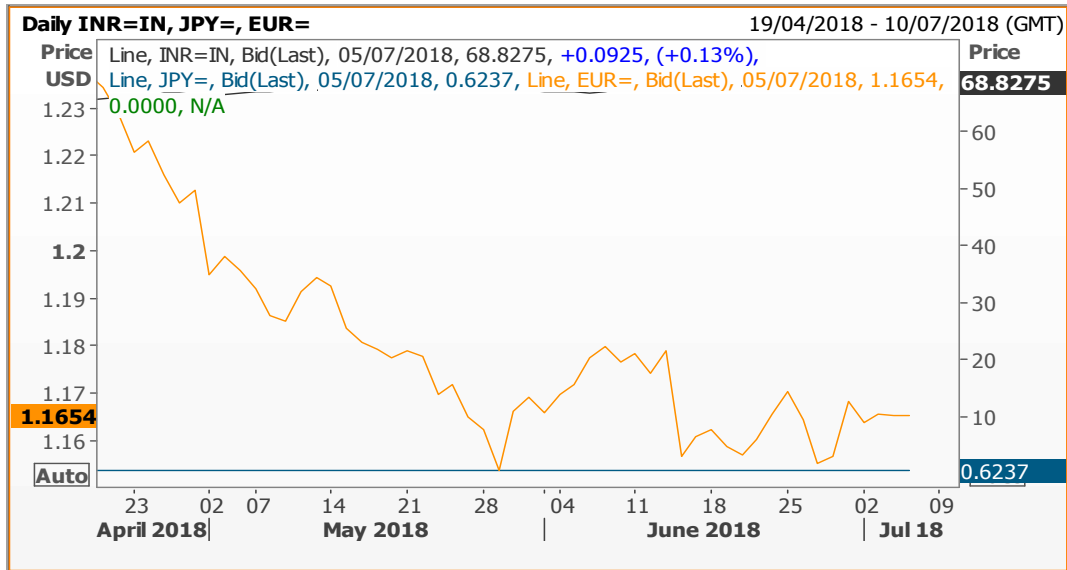
| Important Readings | | | | | Libor | |
|--------------------|--------------|--|--------|----------|----------|---------|
| Currency | Event | | Actual | Previous | | |
| GBP | Services PMI | | 55.1 | 54 | 1 month | 2.08588 |
| | | | | | 2 month | 2.17475 |
| | | | | | 3 month | 2.33725 |
| | | | | | 6 month | 2.50688 |
| | | | | | 12 month | 2.77313 |

| Pivot Table | | | | | | | |
|-------------|----------|----------|----------|----------|----------|----------|----------|
| Currency | S3 | S2 | S1 | Pivot | R1 | R2 | R3 |
| USDINR | 68.6500 | 68.7350 | 68.7750 | 68.8200 | 68.8600 | 68.9050 | 68.9900 |
| EURUSD | 1.1622 | 1.1640 | 1.1647 | 1.1658 | 1.1665 | 1.1676 | 1.1694 |
| GBPUSD | 1.3174 | 1.3201 | 1.3212 | 1.3228 | 1.3239 | 1.3255 | 1.3282 |
| USDJPY | 109.7467 | 110.0767 | 110.2033 | 110.4067 | 110.5333 | 110.7367 | 111.0667 |
| USDCHF | 0.9886 | 0.9908 | 0.9922 | 0.9930 | 0.9944 | 0.9952 | 0.9974 |
| USDCAD | 1.3103 | 1.3124 | 1.3137 | 1.3145 | 1.3158 | 1.3166 | 1.3187 |

| Technical Signals | | | | |
|-------------------|----------|------------|------|-------------|
| Currency | RSI | MA | OHL | BB |
| USDINR | Oversold | Far from S | None | Near LowerB |
| EURINR | Oversold | Far from S | None | Near LowerB |
| GBPINR | Oversold | Far from S | None | Near LowerB |
| JPYINR | Oversold | Far from S | None | Near LowerB |

Major Currency Chart (Source: Reuters)





Events To Watch

| Currency | Events | Actual | Forecast | Prior |
|----------|--------------------------------|--------|----------|---------|
| GBP | BOE Gov Carney Speaks | | | |
| USD | ADP Non-Farm Employment Change | | 190K | 178K |
| USD | ISM Non-Manufacturing PMI | | 58.3 | 58.6 |
| USD | Crude Oil Inventories | | (-4.4M) | (-9.9M) |
| USD | FOMC Meeting Minutes | | | |

Today

>Govt Bonds: The Indian government bonds are likely to edge higher in early trade on short covering following a fall in crude oil prices

>Pan Capital Advisory: we suggest importers to cover immediate imports at every low around 68.50 or buy At The Money Call option. We suggest exporters to cover their remaining and partially hedge export exposures at every high around 68.90/69 level.

>Asian Currencies are mix. Appreciation led by NZD by 0.16% to 0.6771 and Depreciation led by IDR by 0.44% to 14410.

>OIL: Oil is trading at 77.7. Oil prices fell after U.S. President Donald Trump sent a strident tweet demanding that OPEC cut prices for crude.

>Economic Event: Yesterday India raised the government-mandated price for summer-sown crops such as rice and cotton by the most since Prime Minister Narendra Modi came to power in 2014, which could raise inflation and fiscal deficit going forward, UK's service activity expand at the fastest rate for eight month in June to 55.1. Today we have Bank of England's Governor Carney speech, US's ADP non-Farm employment change, ISM Non-manufacturing PMI, and FOMC meeting minutes in which interest rates were raised for the second time this year, In addition to any discussions on the extent of monetary tightening, the minutes may provide insights on the policymakers view on the risk posed by the ongoing trade disputes between the U.S. and its trading partners.

- >India hikes crop prices as Modi woos farmers ahead of election.
- >RBI tightens banks' statutory auditor rules.
- >China commerce ministry warns US tariffs will hit global supply chains.
- >Iran threatens to cut cooperation with nuclear body after Trump move.
- >Global funds sold \$41.49 mln local stocks and bought \$ 287.90 mln of local debts as on yesterday.

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