



EURINR

EURUSD appreciated by 0.2 percent last week while EURINR appreciated by 0.56 percent the same time frame.

EU's consumer confidence came in at -7 for May'19 against market expectations of -8. German manufacturing PMI came in at 44.3 for Apr'19 against market expectations of 44.9. German flash services PMI came in at 55 in line with market expectations for Apr'19. Meanwhile, German PPI came in at 0.5 percent against market expectations of 0.4 percent for Apr'19. EURINR in the coming week will be driven by European Parliamentary elections.



In this week, EURINR (CMP: 77.76) is expected to trade between 77.10 to 78.20

GBPINR

GBP decreased against USD by 0.46 percent last week while GBPINR appreciated by 1.22 percent.

The Brexit withdrawal bill that PM May was supposed to present this Friday won't be published or debated until early June. The Committee met late failed to agree on a rule change which would allow to oust PM May. PM Theresa May, after failing to get support for her Brexit deal announced her resignation which might pressurize pound.



In this week, GBPINR (CMP: 88.50) is expected to trade between 87.70 to 89.50

Weekly Report – 20th May to 24th May

Key Highlight

- US provides 90 day lease to Huawei
- US Fed to keep interest rates constant
- Theresa May resigns

Weekly Performance and Outlook

USDINR

Indian Rupee appreciated by 0.8 percent last week while the Dollar Index decreased by 0.09 percent. The result of the election had a significant impact on the domestic currency. Existing government formed the government again has led to the recent appreciation in Indian rupee.

US Fed in its latest meeting minutes is likely to keep interest rates constant for some time and many sided with Jerome Powell that the recent dip in inflation is temporary. Meanwhile, The U.S. Commerce Department announced Monday it had granted a 90-day license for mobile phone companies and internet broadband providers to work with Huawei to keep existing networks online and protect users from security risks.

In the coming week, USDINR will be driven by GDP data from both US and India.



In this week, USDINR (CMP: 69.44) is expected to trade between 68.50 to 69.80

Gold

Last week, Spot Gold prices ended higher by 0.3 percent whereas Gold on the MCX ended lower by 0.68 percent. Escalating trade tension between US and China pushed the investors to take shelter under the safe haven asset. However, Appreciation in the U.S. Dollar and strengthening of global stocks dented the demand for the yellow metal.

The minutes from U.S. Federal reserve's meeting in early May signalled that the FOMC will continue with their patient approach towards setting monetary policy for some more time.

Moreover, the U.S. 10-year Treasury yields declined to its lowest levels since December 2017 which further pressurized the U.S. Dollar in turn supporting Gold prices.



In this week, Gold (CMP: 1276) is expected to trade between 1270 to 1285

Crude Oil

After weeks of Bull Run, Crude gave up few of its gains last week as prices declined sharply over 6 percent over escalating trade tension between U.S. and China coupled with surging Crude inventory levels in U.S.

Increasing prolonged tension between U.S. and China might have a serious hit on the global demand of crude which pressurized the prices. Crude inventories surged by 4.7 million barrels last week negating the market's expectation of a decline in the inventory levels. US Crude stocks rose to their highest levels since July 2017 due to falling refinery output, mainly in Middle East because of their ongoing issues with United States.

The only factor supporting Crude prices was the supply crunch arising from the Middle East which restricted the downtrend a bit.



In this week, Brent Oil (CMP: 68.80) is expected to trade between 67.20 to 70.00

Nifty

This has been a splendid week for our market and the kind of comeback we made, is quite remarkable. Importantly, the global markets had no influence over it as the rally was mainly led by the domestic factors. This all started with a massive bump up at the opening on Monday after exit polls indicating the BJP led NDA government back in power with thumping majority. This was followed by a couple of muted sessions ahead of the final verdict. On the actual day, we saw tremendous optimism to reach yet another milestone of 12000 as the counting finally validated the exit poll numbers. However, index suddenly took a nosedive and before anyone could realize, we were well off highs. Fortunately, the concluding session brought back cheerful mood across the board to reclaim the 11800 mark.



In this week, Nifty (CMP: 11676) is expected to trade between 11800 to 12200

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