



## EURINR

EURUSD appreciated by 1.4 percent last week while EURINR appreciated by 1.26 percent during the same time frame. ECB in its latest monetary policy meeting yesterday will end the QE program by the end of Dec'18. The ECB also said it would continue to reinvest cash from maturing bonds for an extended period of time. Meanwhile, EU current account surplus released earlier on the day rose to €23 billion in October from €17.6 billion in September. In the coming week.

## Weekly Report – Dec. 17<sup>th</sup> to Dec. 21<sup>st</sup>

### Key Highlight

- Rupee gained as crude oil slumped
- US FED increased rates by 25 bps
- BOE keeps rates unchanged at 0.75%

### Weekly Performance and Outlook

#### USDINR

Indian Rupee appreciated by 2.6 percent despite dollar index weakening by 1.66 percent during last week mainly on account of huge drop in crude oil price. WTI crude oil slumped by nearly 10 percent in last week. Meanwhile, CPI from India came in 2.33 percent for Nov'18 against market expectations of 2.8 percent. IIP for Oct'18 came in at 8.1 percent against market expectations of 5.7 percent. US President Donald Trump criticised US Fed that the committee still feels its viable to increase interest rates amid the current economic scenario. However, US FED still increased interest rates by 25 bps for the fourth time this year in their last meeting for 2018 but cut the outlook for 2 rate hikes in 2019 against 3 hikes given earlier. USDINR will be less volatile on account of Christmas holidays



**In this week, USDINR (CMP: 70.30) is expected to trade between 69.50 to 71.20**



**In this week, EURINR (CMP: 79.90) is expected to trade between 79.20 to 81.90**

#### GBPINR

GBP appreciated against the US dollar by 0.75 percent last week while GBPINR appreciated by 1.86 percent. UK PM May's leadership came again under scrutiny after she decided to pull out the Brexit deal from the Parliament and rush back to Brussels, trying to get a deal that has chances to pass the Commons. However, EU has made it clear that the deal cannot be modified. Parliament and the vote on the deal will happen in the third week of Jan'19. GBPINR in the coming week will be less volatile on account of Christmas.



**In this week, GBPINR (CMP: 88.90) is expected to trade between 87.20 to 90.50**

## Gold

Last week, spot gold prices rose by 1.72 percent to trade at \$1260 per tonne while MCX gold prices traded lower by 1.2 percent as rupee appreciation led to the fall in the Indian markets. Investors have dumped risky assets and dollar has lingered to near one month lows after the Federal Reserve signalled fewer interest rate hikes over the next two years and expressed caution about the U.S. economic outlook. In a sign of demand for precious metals, sales of U.S. Mint American Eagle gold and silver coins are closing out their weakest year since 2007, as investors favoured highyielding assets, despite volatility in global stock and bond markets late in the year.



**In this week, Gold (CMP: 1262) is expected to trade between 1250 to 1295**

## Crude Oil

WTI and Brent oil both decreased by 10 percent during the week with OPEC production cuts that start next month seen being deeper than previously expected. The Organization of the Petroleum Exporting Countries plans to release a table detailing output cut quotas for its members and allies such as Russia in an effort to shore up the price of crude. OPEC seems to accommodate Iran, Iraq and Venezuela as a part of production cuts. The Organization of the Petroleum Exporting Countries and other oil producers including Russia agreed this month to curb output by 1.2 million barrels per day (bpd) in an attempt to drain tanks and boost prices.



**In this week, Brent Oil (CMP: 53.99) is expected to trade between 52.50 to 55.50**

## Nifty

During the week, except for some long unwinding on Friday, we saw majority of long formations in both Nifty as well as BankNifty last week. Due to Friday's sell-off, we saw decent unwinding in Nifty puts along with massive writing in 10800-11000 call options. Hence, looking at recent development we would advise traders to wait and watch as index is now trading near the support zone of 10700-10750.

Hence, it would be important to see how index behaves in first half of the week around this mentioned support zone. On the upside, if it has to regain strength, index needs to surpass and stay beyond the 10900 mark



**In this week, Nifty (CMP: 10718) is expected to trade between 10550 to 10950**

## Head Office

309, 3rd Floor, US Complex, 120, Mathura Road,  
Sarita Vihar, New Delhi-110076,  
(Opposite Apollo Hospital).

## Branch Office

1st Floor, JK Infotech 2, EFC Office Spaces, Hinjewadi, Phase - 1,  
Pune-411057.

Email us : [info@route forex.com](mailto:info@route forex.com)

Contact Us : +91 11-26394733/32

You can also visit our Website by [www.route forex.com](http://www.route forex.com)



## Our Services



Forex  
Risk Advisory



Forex  
Transaction  
Processing



Broking  
Services



Money  
Changing  
Service

**Disclaimer :** The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. This document may not be reproduced, distributed or published by any recipient here of for any purpose without prior permission from Route forex. Your feedback is appreciated on [research@route forex.com](mailto:research@route forex.com).