

## EURINR

EURUSD appreciated by 0.7 percent last week while EURINR appreciated by 0.32 percent the same time frame.

German data fell short of the market's expectations, denting demand for the shared currency. Meanwhile, CPI from Germany came in at 0.4% for Feb'19 against market expectations of 0.5 percent. The central bank changed its forward guidance on rate hikes, stating that would remain at their present levels 'at least through the end of 2019, and in any case for as long as necessary.

In the coming week, the movement in EURINR will be driven by German manufacturing and services PMI data

## Weekly Report – 11<sup>th</sup> Mar to 15<sup>th</sup> Mar

### Key Highlight

- RBI to infuse \$5 billion in domestic markets
- Trump Xi meeting postponed
- Brexit uncertainty dominated Pound

### Weekly Performance and Outlook

#### USDINR

Indian Rupee appreciated by 1 percent last week while the Dollar Index declined by 0.61 percent.

India's CPI rose to a four month high in Feb'19 to 2.57 percent against 1.97 in Jan'19. IIP slows down to 1.7 percent in Jan'19. Meanwhile, The Reserve Bank of India said it will inject long-term liquidity worth \$5 billion into the system through dollar-rupee swap arrangement with banks for three years.

CPI from US came in line with market expectations at 0.2 percent for Feb'19. PPI from US came in at 0.1 percent for Feb'19 against market expectations of 0.2 percent. Mnuchin, speaking to reporters following a U.S. Senate Finance Committee hearing, said both sides were "working in good faith" to try to reach a deal "as quickly as possible". However, the earlier planned summit between Trump and Chinese President won't happen in Mar'18 and is likely to get delayed.



In this week, USDINR (CMP: 68.55) is expected to trade between 68.20 to 69.10



In this week, EURINR (CMP: 77.80) is expected to trade between 77.00 to 78.20

#### GBPINR

GBP rose against USD by 1.71 percent last week while GBPINR depreciated by 0.69 percent.

GBP remained highly volatile in the past week on account on several amendments over the Brexit deal. Initially the renewed Brexit deal got rejected by the Parliament. However, on 13th March the MP's voted to not crash out the EU without a deal. On the following day on 14th March the Parliament voted again to go in for an extension for the Brexit deadline. This time the MP's voted in favour of this decision.

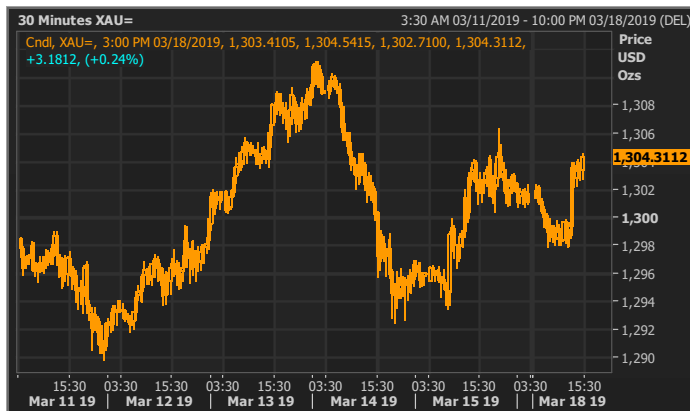


In this week, GBPINR (CMP: 90.92) is expected to trade between 91.00 to 91.50

## Gold

Last week, Spot gold prices rose by 0.3 percent over downfall in the U.S. Dollar. However, Spot gold prices were pressurized after improved risk appetite amongst as concerns of no deal Brexit eased off with officials seeking for extension of the deadline for Britain's exit from the European Union which is scheduled at the end of this month. This helped in recovery of the US Dollar against the basket of currencies which weighed on Gold.

Trade tension between US & China added the trouble as US President Donald Trump emphasized that he was in no rush to secure a deal with China which raised fresh concerns over possibility of a trade deal between the biggest economies of the world. The officials of both the countries will meet again next month.



**In this week, Gold (CMP: 1303) is expected to trade between 1280 to 1320**

## Crude Oil

Last week, WTI Crude prices rose significantly by 4.9 percent hitting its 2019 high of \$58.74 per barrel. The rally in the Oil prices started after Saudi's oil minister also stated that it would be too early to change OPEC production cuts agreement in their next meeting in Vienna on April 17-18, 2019. Saudi further plans to trim its crude exports next month to below 7 million barrels per day (bpd), while keeping its output well below 10 million bpd.

Prices were further supported after the U.S. Energy Information Administration (EIA) reduced the crude oil production forecast in US. U.S. Crude production is expected to grow slower than the earlier expectation averaging about 12.30 million barrels per day (bpd)

which is down by 110,000 barrels per day from its initial forecast.



**In this week, Brent Oil (CMP: 67.29) is expected to trade between 65.50 to 69.50**

## Nifty

Nifty convincingly surpassed 10900 last Tuesday. What encouraged us is the outperformance of Midcap and small cap basket which started few days prior to this. And then the major driver 'Banking' started showing its dominance. Considering all these evidences, we were vocal about this rally getting extended towards 11300 – 11400, which was the higher end of the 'Megaphone' pattern. Index has reached this junction and in fact due to strong exuberance, Nifty extended its march towards the 11500 mark.



**In this week, Nifty (CMP: 11443) is expected to trade between 11200 to 11700**

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