



EURINR

EURUSD appreciated by 0.2 percent last week while EURINR depreciated by 1.59 percent the same time frame.

The EU Services PMI came in at 52.8 for April, surpassing the preliminary estimate of 52.5. In the recent EU economic forecast they lowered the growth forecast to 1.2 percent from 1.3 percent. German industrial production came in at 0.5 percent for Apr'19 against market expectations of -0.5 percent.

EURINR in the coming week will be driven by GDP and CPI data from EU.



In this week, EURINR (CMP: 79.10) is expected to trade between 78.60 to 79.50

GBPINR

GBP decreased against USD by 1.28 percent last week while GBPINR depreciated by 0.06 percent.

Following another round of cross-party talks, Labour's leader Corbyn crossed the wires saying that the government hasn't made a 'big offer yet' that can get the two parts closer to a consensus. The tense political situation in the kingdom will likely prevent the GBP from appreciating beyond short-intraday spikes.

In the coming week, GBPINR will be driven by talks revolving around Brexit



In this week, GBPINR (CMP: 91.78) is expected to trade between 91.20 to 92.50

Weekly Report – 6th May to 10th May

Key Highlight

- Trumps increases tariffs on China
- Chinese officials travel to US for trade talks
- Uncertainty revolves around Brexit

Weekly Performance and Outlook

USDINR

Indian Rupee depreciated by 1.4 percent yesterday while the Dollar Index declined by 0.08 percent. Manufacturing PMI from India came in at 51.8 against market expectations of 52.6 for Mar'19. Also, services PMI from India came in at 51 for Mar'19 against market expectations of 52.5. US PPI came in line with market expectations at 0.2 percent for Apr'19. Donald Trump increased tariffs from 10 percent to 25 percent on \$200 billion of Chinese goods. Also, threatened to impose tariffs on remaining goods worth \$325 billion. Chinese officials are in US to hold further discussions of trade talks with them. Risk aversion was once again the market motor, as China Commerce Ministry said the country would retaliate, should the US increase tariffs. In the coming week, USDINR will be driven by CPI data from India and retail sales data from US.



In this week, USDINR (CMP: 70.50) is expected to trade between 69.90 to 71.20

Gold

Last week, spot gold prices ended higher by 0.5 percent following a dip in the global stocks as U.S. President hikes the tariff rates on the Chinese goods from 10 percent to 25 percent. Donald Trump's drastic move dented the risk appetite amongst investors and increased the demand for the safe haven. Meanwhile, even the U.S. Treasury yields declined to a five-week low on concerns over escalating trade tensions between China and the United States which might further boost the demand for the Gold.

The trade talks commenced this week between the officials of the two countries to bridge their difference. A no deal scenario might take severe hit on the global economic growth.



In this week, Gold (CMP: 1283) is expected to trade between 1270 to 1310

Crude Oil

Last week, Crude prices ended 0.2 percent higher. U.S. sanctions on OPEC members Iran and Venezuela amid output cuts by OPEC and its allies tightened the global supply which supported the prices.

However, escalating trade tension between U.S. and China raised demand concerns for Crude. U.S. President Donald Trump hiked tariff rates from 10 percent to 25 percent on Chinese goods after China didn't compel with certain norms agreed during the trade negotiations which might slowdown the global economic growth.

As per report from the Energy Information Administration (EIA), U.S. Crude inventories declined by 4 million barrels last week. Even the crude production in US has slowed down by 100,000 bpd amid declining

imports which gave some further support to the prices.



In this week, Brent Oil (CMP: 71.70) is expected to trade between 70.00 to 74.00

Nifty

Markets slipped into a consolidation mode and were struggling to overcome the 11800 convincingly. Maybe it was sensing something of this sort, but it's all easy to comment in the hindsight. All traders had a close eye on the sacrosanct level of 11549, which gained tremendous respect on last couple of occasions. But, this level got thrashed brutally post this negative development and then the selloff was evident. In line with this, within no time we are back to sub-11300 levels. Now, we would like to highlight few key technical observations. Prices have now almost retraced 50% of the previous up move and have managed to test the daily '89-EMA' as well. Going by the weekly time frame chart, this zone ideally should provide a decent support for our markets and hence, if any bounce back has to start, it should probably begin from this crucial zone only. But as we all know, such global developments can be very deceptive.



In this week, Nifty (CMP: 11148) is expected to trade between 11000 to 11400

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