



## EURINR

EURUSD depreciated by 0.9 percent last week while EURINR appreciated by 0.31 percent the same time frame. Draghi said the euro zone's central bank was looking at interest rate cuts, fresh bond buys and new policy guidance to lift persistently low inflation, which has undershot its target for the past six years. German CPI came in line with market expectations at 0.5 percent for July'19. In the coming week, EURINR will be driven by manufacturing PMI data from Germany.



**In this week, EURINR (CMP: 79.12) is expected to trade between 78.50 to 80.00**

## GBPINR

GBP increased against USD by 0.42 percent last week while GBPINR depreciated by 1.04 percent. In the Brexit front, PM Boris Johnson tweet that "we are going to restore trust in our democracy and come out of the EU on October 31st," while opposition leader Jeremy Corbyn said he will call a no-confidence vote to stop a no-deal Brexit, and call for a general election. Retail sales data from UK came in at 0.2 percent for July'19 against market expectations of -0.3 percent. In the coming week, movement in GBPINR will be driven by further update on Brexit.



**In this week, GBPINR (CMP: 86.70) is expected to trade between 86.00 to 87.50**

## Weekly Report – 12<sup>th</sup> Aug to 16<sup>th</sup> Aug

### Key Highlight

- India's inflation remains muted
- US China trade talks progressing well
- Hard Brexit uncertainties increases

### Weekly Performance and Outlook

#### USDINR

Indian Rupee depreciated by 0.6 percent last week while the Dollar increased by 0.78 during the same time frame. India CPI inflation eases to 3.14% in July'19. RBI decided to cut repo rate by 35 bps in its latest meeting. It lower India's GDP growth rate for FY20 to 6.9 percent from 7 percent. US Fed cuts interest rates by 25 bps for the first time since 2008 citing concerns over slowdown in global economy and muted inflation in the domestic economy. US announced on Tuesday that it would delay the introduction of 10% tariffs on a range of Chinese goods sold in the US, The delay came in after Trump had announced to slap additional 10 percent tariffs on \$300 billion of Chinese goods earlier this month. Post this announcement US President also mentioned that the trade talks between two nations are going well and a Sep'19 meeting is still on the cards. USDINR will be driven by monetary policy meeting minutes from both US Fed and RBI.



**In this week, USDINR (CMP: 71.30) is expected to trade between 70.80 to 71.80**

## Gold

Last week, spot gold prices rose by 1.6 percent as rising chances of a potential recession amid escalating trade tension between U.S. & China boosted the appeal for the bullion metal. Prices were further supported after the yields on U.S. 30 year bond declined by 27 basis points in this week. Falling yields weighed on the Dollar and pushed the Gold prices higher. The prolonged tension between U.S. and China seems to be never ending. However, situations got better after the United States said it would delay tariffs on some of the Chinese products. The super power nations might resume with their trade negotiations but investors might have a cautious approach as an actual deal might take time. Markets will have a keen watch on the Federal Reserve's annual symposium next week to have a look on their stance ahead.



***In this week, Gold (CMP: 1518) is expected to trade between 1450 to 1530***

## Crude Oil

Last week, WTI Crude prices dipped over 4 percent over Last week, WTI Crude rose over 1 percent. Optimism over a possible trade deal between U.S and China buoyed the prices as the United States said it would delay imposing a 10% tariff on certain Chinese products, easing concerns over a global trade war that has pummelled the market in recent months. Both the countries will resume with the trade negotiations but an actual trade deal might take time. However, the gains were capped as worries over global slowdown amid surge in U.S. Crude inventory levels weighed on the prices. Crude inventories climbed 3.7 million barrels to 443 million, compared with analysts' expectations for a decrease of 2.8 million barrels which pushed the

prices lower. Moreover, China, one of the biggest oil consumers witnesses a significant drop in industrial output growth falling over its 17-year low.



***In this week, WTI Oil (CMP: 55.35) is expected to trade between 54.50 to 56.80***

## Nifty

In our last week's outlook, we had mentioned a confluence zone of support formed by '89-EMA' on weekly chart, multi-month trend line support and 61.8% retracement level of the key rally (10004-12103). This week, the index again managed to hold on to the dynamic support of above technical levels and hence the hope of relief rally remains intact. On the daily chart, we are witnessing a defined range with market participants baffled between the current scenario of global turmoil and the hopes of a government stimulus package. The said range between 11180 and 10900 will remain pivotal and the next directional move can only be seen on a range break from these levels.



***In this week, Nifty (CMP: 11130) is expected to trade between 11050 to 11300***



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