



EURINR

EURUSD depreciated by 0.5 percent last week while EURINR depreciated by 0.15 percent the same time frame. "The Euro and other currencies are devalued against the dollar, putting the U.S. at a big disadvantage," Trump tweeted without offering any evidence. The trade war also had its impact on Yuan which in turn supported the Euro. Worsening of trade situation might further support Euro.

Weekly Report – 10th Jun to 14th June

Key Highlight

- US FED signals possibility of rate cut
- ECB signals no rate moves until next year
- May steps down as leader of ruling party

Weekly Performance and Outlook

USDINR

Indian Rupee depreciated by 0.3 percent last week while the Dollar Index increased by 0.55 percent. The RBI changed its stance to "accommodative" from "neutral" last week and cut interest rates for the third time in a row, bringing the borrowing rate to a nine-year low of 5.75%. Markets expect that the U.S. Fed might move towards a dovish stance considering the slowdown in the economy. Weak data from US pointed towards weakening of the economy and further pressurized FED to trim the rates. Odds of a rate cut at next week's meeting are around 18%, while at the next meeting in July, it is more than 80%, according to the CME Fed Watch Tool.



In this week, USDINR (CMP: 69.80) is expected to trade between 69.40 to 70.10



In this week, EURINR (CMP: 78.30) is expected to trade between 78.10 to 79.20

GBPINR

GBP decreased against USD by 0.5 percent last week while GBPINR appreciated by 0.2 percent. May stepped down as leader of the ruling Conservative Party on Friday, having failed three times to win parliament's support for a European Union divorce deal that was supposed to steer the country smoothly out of the bloc and deal with Britain's biggest political crisis in a generation. Boris Johnson remains the odds-on favourite to be Britain's next PM. Nine other Tory MPs are vying to succeed May: first round of voting Thursday. Second to fourth rounds next week, before top two run-off. In the coming week, movement in GBPINR will be driven by further update on Brexit and the electoral developments in UK.



In this week, GBPINR (CMP: 87.80) is expected to trade between 87.20 to 88.3

Gold

Gold prices rose by 0.4 percent last week over expectation of rate cut by the U.S. Federal Reserve. Slowdown in the global growth amid weakening of the US economy might pressurize the FED to trim the rates which weighed on the US Dollar & in turn support Gold prices. Markets will have a keen watch on the next meeting of the US FED policymakers which is to be held on June 18-19, 2019. U.S. & Mexico struck a deal last week, side stepping a possible trade war and averting chances of an economic slowdown capped the gains for Gold. However, escalating trade tension between U.S. & China coupled with rising global uncertainties continues raise worries over the global economic growth and push investors to take shelter under the bullion metal. China stated that it won't come under any pressure and enter in to a contract forced by U.S. which further worsened the trade situation between the super power nations.



In this week, Gold (CMP: 1334) is expected to trade between 1320 to 1340

Crude Oil

Crude dipped by 3.0 percent last week as escalating tension between US & China and surge in US Crude inventory levels weighed on the prices. As per reports from the U.S. Energy Information Administration (EIA), Crude inventories surged by 2.2 million barrels last week against the markets expectation of a decline of over 480,000 barrels. Moreover, the biggest consumer of Crude, China, imported crude around 40.23 million tonnes in May 2019 down from an all-time high of 43.73 million tonnes in April 2019. The fall in imports came following the drop in Iranian imports caused by U.S. sanctions and refinery maintenance coupled with falling domestic demand. The downtrend was limited after fresh supply concerns rose from the Middle East

as two oil tankers were attacked in the gulf of Oman. This is the second attack on one of the world's key shipping routes.



In this week, Brent Oil (CMP: 61.81) is expected to trade between 61.50 to 64.50

Nifty

It was a week of consolidation for our markets, the overall bias remained on the negative side and hence, any intra-week pull back was getting sold into. Now, with this price development we can see the trading range getting shrunk further and whenever this happens, soon we get a breakout (on the either side) from the congestion zone. On the lower side, 11769 is the level to watch out for. Any sustainable move below this would trigger sell off to head towards 11600-11550 levels. However, looking at the broader picture, we are still hopeful and expect the market to breakout in the upward direction. On the higher side, 11950-12000 has become a sturdy wall.



In this week, Nifty (CMP: 11702) is expected to trade between 11650 to 11900

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