



## EURINR

EURUSD depreciated by 0.1 percent last week while EURINR appreciated by 0.98 percent the same time frame. The IFO Business Confidence Index declined to 97.4 in June, better than the 97.3 expected, although it's lowest since late 2014. Meanwhile, the leader of the European Central Bank spoke at the ECB Forum on Central Banking in Sintra and said that further interest rate cuts remain part of the central bank's tools, leaving doors opened for more stimuli, signalling that policymakers would act if inflation doesn't give signs of picking up. In the coming week, EURINR will be driven by manufacturing and services PMI data from EU.



**In this week, EURINR (CMP: 78.30) is expected to trade between 77.50 to 79.20**

## GBPINR

GBP decreased against USD by 0.56 percent last week while GBPINR appreciated by 1.48 percent. Bank of England unveiled its latest monetary policy decision. As expected, the central bank left its main rate unchanged at 0.75%, as well as the APP program. Governor Carney criticized the leading candidate for PM, Boris Johnson, for his approach to the Brexit process. The name of May's successor will be known late-July. 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: 88.20) is expected to trade between 87.50 to 88.90**

## Weekly Report – 24<sup>th</sup> Jun to 28<sup>th</sup> June

### Key Highlight

- US FED pushes rate cut to 2020
- G20 summit commences in Japan
- BOE keeps interest rates unchanged at 0.75%

### Weekly Performance and Outlook

#### USDINR

Indian Rupee appreciated by 0.9 percent last week while the Dollar Index increased by 0.05 percent on account of increase in risk appetite over the possible meeting between Xi Jinping and Donald Trump in G20. Viral Acharya deputy RBI Governor resigned on Monday. US FED is unlikely to cut interest rates in 2019 but hinted for rate cut in next year. Donald Trump again criticized the FED chief and said the central bank would be better with someone like Mario Draghi. US consumer confidence came in at 121.5 for June'19 against market expectations of 132. Core durable goods orders from US came in at 0.3 percent against market expectations of 0.1 percent for May'19. GDP data from US came in at 3.1 percent in line with market expectations. Meanwhile, President Trump is in Japan for the G20 meeting that starts on Friday. Speculations and reports from what he and Xi Jinping will do on Saturday could create noise in the market.



**In this week, USDINR (CMP: 68.94) is expected to trade between 68.40 to 69.50**

## Gold

Last week, spot gold prices rose by 0.4 percent as the global tensions escalated after the U.S. imposed fresh duties on Iran after Tehran downed an American drone. In retaliation of downing their drone, U.S. President Trump imposed sanctions on Iran which further escalated the trade tension between the two countries. Rising global uncertainties boosted the appeal for the safe haven asset, Gold. However, the uptrend in the bullion metal was limited after the U.S. Federal Reserve seemed to move away from its dovish stance fading away the chances of a possible rate cut which pushed the U.S. Dollar higher and in turn capped the gains for the bullion metals. The FOMC is still battling if the current scenario requires an interest rate cut.



***In this week, Gold (CMP: 1392) is expected to trade between 1360 to 1420***

## Crude Oil

Last week, WTI Crude prices ended higher by 1.8 percent. Supply curbs rising out of the Middle East amid drastic fall in the U.S. Crude inventory pushed the prices higher. A more than expected fall in U.S. Crude inventory might provide some support to the prices. Inventory levels declined by 7.5 million barrels last week which was much above the market expectation. However, the gains were limited as U.S. imposed fresh sanctions on the Iran as Tehran shot down a U.S. military drone in the State of Hormuz, further escalating the tension between the two nations and hamper the global demand prospects for Crude. Markets cautiously await for the outcome of the prolonged trade spat between US and China as the presidents of the two countries meet today at the G20 summit in Osaka, Japan. President Trump has threatened that if the two countries fail to reach a

trade deal then he might impose tariffs on all remaining Chinese imports which will further deteriorate the global scenario.



***In this week, Brent Oil (CMP: 66.20) is expected to trade between 64.50 to 67.80***

## Nifty

The Nifty managed to hold key support zone of 11630 – 11591. These levels were critical supports because 11591 is the higher end of the 'Upward Gap Area' created post the exit poll numbers. And 11630 being the 161% Fibonacci retracement levels of the small up move from 11769.50 to 12000.35. This level coincided with the 'Potential Reversal Zone' as per the 'Bullish Wolfe Wave' structure, which was clearly visible on hourly chart. After this week's strong bounce back, the above mentioned technical evidences clearly proved its significance. Now we are stepping into an eventful week on the global as well as domestic front and hence, traders are advised to prepare themselves for some bigger swings. It would be really interesting to see how our market reacts on the global developments in the initial part and then the Union Budget scheduled coming Friday will probably set the tone for the next course of action for our markets.



***In this week, Nifty (CMP: 11623) is expected to trade between 11550 to 11850***

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