



## EURINR

EURUSD appreciated by 0.9 percent last week while EURINR depreciated by 0.31 percent the same time frame.

As largely anticipated, the central bank kept rates unchanged and pushed forward guidance into H1 2020, signalling no rate moves until next year. Mr. Draghi remarked in the press conference that the central bank stands ready to act if conditions deteriorate, a remake of the “whatever it takes,” amid the risk and the uncertainties related to global trade and economic growth.

EURINR in the coming week will be driven by CPI data from Germany and France.



**In this week, EURINR (CMP: 78.56) is expected to trade between 78.10 to 79.20**

## GBPINR

GBP increased against USD by 0.49 percent last week while GBPINR remained flat during the same time frame.

The US President Donald Trump’s British visit turned out to be less dramatic with no major furious statements from any side and only the praise of the relationship between the two economies. Additionally, the British Trade Secretary Liam Fox said that the UK wants more access to the US if it is to make a deal post-Brexit which is quite possible.

In the coming week, movement in GBPINR will be driven by further update on Brexit and GDP data from UK.



**In this week, GBPINR (CMP: 88.30) is expected to trade between 87.70 to 89.50**

## Weekly Report – 03<sup>rd</sup> Jun to 07<sup>th</sup> June

### Key Highlight

- US FED signals possibility of rate cut
- ECB signals no rate moves until next year
- RBI cuts repo rate by 25 bps to 5.75%

### Weekly Performance and Outlook

#### USDINR

Indian Rupee appreciated by 0.4 percent last week while the Dollar Index decreased by 0.67 percent. RBI decided to cut repo rate by 25 bps to 5.75 percent and also cited that estimated future GDP growth rate will be lower than earlier estimated. GDP data from India for quarter ending March came in at 5.8 percent.

Manufacturing PMI from US came in at 52.1 against market expectations of 53 for May’19. US Federal Reserve Chairman Jerome Powell said on Tuesday the central bank will “act as appropriate” in response to risks posed by a trade war, remarks that may open the door to the possibility of a rate cut. Meanwhile, latest development on trade war front came with both countries blaming one another from backing out of the trade talks initially opted for. The increases in tariffs have come into place since 1st June 2019.

In the coming week, USDINR will be driven by CPI data from both US and India.



**In this week, USDINR (CMP: 69.54) is expected to trade between 69.20 to 70.10**

## Gold

Last week, Spot gold prices rose by 2.1 percent to touch \$1332.6 per ounce on account of weakening dollar.

Gold jumped to a 15 week high on account of escalating trade tensions between US and China and rise in demand of safe haven assets such as gold.

On Tuesday, Fed Chair Jerome Powell moved away from his "patient" approach and instead acknowledged risks due to trade conflicts, saying the central bank would respond "as appropriate."

Meanwhile, recent development with Donald Trump threatening to impose tariffs on Mexico increased demand for gold.

On the MCX, gold climbed by 1.86 percent to trade at Rs. 32696 per 10 grams



***In this week, Gold (CMP: 1327) is expected to trade between 1315 to 1335***

## Crude Oil

After a sharp decline of over 4 percent in the last week of May in crude oil it stabilized and declined by just 0.4 percent to touch \$53.28 per barrel.

U.S. President Trump threatened to impose tariffs on Mexico which is one of its major crude suppliers. US tariff threats on two countries might have a severe impact on the global growth and hamper the demand prospects for Crude.

U.S. crude, gasoline and distillate stocks rose last week, the Energy Information Administration said on Wednesday. Crude inventories rose 6.8 million barrels. Even Hedge Funds have increased selling of Oil considering the global scenario and the overextended Bull Run in prices over the supply cuts by OPEC.



***In this week, Brent Oil (CMP: 63.40) is expected to trade between 61.50 to 64.50***

## Nifty

The Nifty has crossed the 12000 mark couple of times but has been unable to sustain above the same. During the week, the index once again witnessed correction to drag the index well below the 12000 mark. On the lower time frame chart, the index has breached below the support of a 'Rising Wedge' pattern and such scenarios usually lead to a short term corrective phase. In Friday's session, the index tested its 20 DEMA support of 11770 and recovered from the lows. Thus, 11770 would be the crucial support to watch for in the coming week and if the same is breached, then the index should continue to correct towards 11700-11615. On the flipside, the index is likely to face resistance around 11940-11980 on pullback moves



***In this week, Nifty (CMP: 11883) is expected to trade between 11750 to 12200***

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