



Weekly Report – 09th Sep to 15th Sep

Key Highlight

- Federal Reserve Interest rate cut
- Repair to Saudi facilities
- Taking Britain out of the EU

Weekly Performance and Outlook

USDINR

Indian Rupee appreciated by 1.2 percent last week while the Dollar decreased by 0.25 during the same time frame. The U.S. dollar will also be in focus ahead of an expected interest rate cut by the Federal Reserve on Wednesday. Meanwhile Thursday will bring policy meetings in Japan, the U.K., Norway and Switzerland in the wake of Wednesday’s Fed decision and last week’s stimulus package from the European Central Bank.



In this week, USDINR (CMP: 71.60) is expected to trade between 70.80 to 72.20

EURINR

EURUSD appreciated by 0.90 percent last week while EURINR depreciated by 0.60 percent the same time frame. The euro was higher the dollar on Friday for a second day after the ECB on Thursday exempted euro zone banks from a penalty charge, which analysts say will reduce the currency impact of new stimulus The ECB on Thursday cut its deposit rate to a record low -

0.5% from -0.4% and said it will restart bond purchases of 20 billion euros a month from November. The purchases will run for as long as necessary and end shortly before it starts raising the key ECB interest rates. The single currency initially dropped on the new stimulus, testing more than two-year lows before dramatically changing direction.



In this week, EURINR (CMP: 79.10) is expected to trade between 78.40 to 79.80

GBPINR

GBP decreased against USD by 0.65 percent last week while GBPINR appreciated by 1.83 percent. The British pound extended the week’s rally on Friday as investors pounced on a media report that Northern Ireland’s largest political party had agreed to accept some European Union rules after Brexit. The report in the Times newspaper was swiftly denied by the party but still supported the view that Britain and the EU can agree a deal to replace the Irish backstop, the main sticking point in negotiations between London and Brussels.



In this week, GBPINR (CMP: 89.10) is expected to trade between 87.50 to 89.50

Gold

Last week, spot gold prices dipped lower by 1.0 percent. Next week, Market participants will be keeping a close eye on \$1,500 as the first line of defense gold prices have to hold in the near term, according to some analysts. The

gold market is preparing for a third week of consecutive losses; although the market is still in a technical uptrend, pessimism is starting to creep into the market as safe-haven demand starts to weaken. December gold futures last traded at \$1,496.50 an ounce, down more than 1% from last week.



In this week, Gold (CMP: 1522) is expected to trade between 1480 to 1540

Crude Oil

Last week, WTI Crude prices rose by 1.32 percent. U.S. West Texas International and international-benchmark Brent crude oil futures are expected to open sharply higher on Sunday after a series of drone attacks hit a Saudi oil field and processing facility. The drone strikes are believed to have disrupted half the country's production capacity, leading to the forecast for a \$5 to \$10 higher opening in the futures market. This news will shift the focus back to the supply side after most of the bearish action last week was fueled by demand concerns. Currently, traders are pricing in a \$5 to \$10 jump in prices in the early session opening on Sunday. According to Reuters, this is based on industry sources who have said some 5-6 million barrels per day (bpd) or 5-6% of global supply have been affected. However keep in mind that Saudi Arabia has yet to comment on the extent of damage on its oil production although Saudi Aramco President and CEO Amin Nasser said Work is underway to restore production and a progress update will be provided in around 48 hours. Keep this in mind because of enhanced risks behind chasing the market higher due to the potentially bullish headlines. So far we expect a spike to the upside, there is no evidence at this time that it will turn into a long term bullish trend.



In this week, WTI Oil (CMP: 60.05) is expected to trade between 52.50 to 60.30

Nifty

Nifty started the week gone by on a flat note but continued its previous week's positive momentum to end the week on a strong note. Nifty closed at 11,076 with a gain of 130 points on a weekly basis. On the weekly index has formed a sizable bullish forming higher High-Low formation indicating positive bias. Since past 5-6 weeks index is consolidating within broad range of 11,150-10,750 levels representing short term sideways trend. Nifty crosses and sustains above 11,100 levels it would witness buying which would lead the index towards 11,170-11,300 levels.



In this week, Nifty (CMP: 11003) is expected to trade between 10750 to 11300

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