

Weekly Report

USDINR: 64.56

Rupee continues to create new highs as unwinding in long dollar trades and exporter selling push the currency to a 15-month high. The pair is likely to trade with downward bias, as RBI's policy move along with its half-hearted response to rupee appreciation is seen as a signal by RBI that it may be ok with further appreciation. RBI's policy move of increasing the reverse repo rate led to a spike in Govt. bonds which attracted FPI investments further.

Strategy: As discussed previously, USDINR has broken the key support of 64.70. The pair is now headed towards 63.80-64.00 level which is the next support zone. Importers are advised to hold exposure with stop loss above 64.80 whereas exporters are advised to hedge using options.

EURUSD: 1.0575

EURUSD continues the losing streak as focus now shifts to the French elections. Euro fell and French bond yields rose 13-month high after initial polls continued to see Leftist candidate LePen as a winner. On the other hand, global uncertainties peaked as US attack on Syrian forces and Donald Trump's meeting with Chinese President Xi Jinping kept risk sentiments damp. With the election approaching, euro will continue to be under pressure.

Strategy: The next support levels for the pair are now at 1.0520 and then at 1.0480.

GBPUSD: 1.2395

Pound continued to trade the week between 1.24-1.25 amid confusion over Brexit negotiations. The pair went below the 1.24 handle post the US attacks over Syria, as risk off persisted. BoE governor Carney, in his first speech since Britain invoked Article 50, said that banks needed to prepare for the worst. His remarks were perceived to be cautious, leading to further sell-off.

Strategy: The pair continues to trade with downward bias. The next support is at 1.2210 levels. 1.2470-1.25 continues to act as resistance.

Dollar Index: 101.25

Dollar index rose back towards its March high after posting lows of 99 as economic data supported the greenback. Risk-off sentiments due to the Syrian attacks also helped US dollar gain traction. The pair also gained after host of Fed members said that they favoured trimming back the asset size of Fed's balance sheet starting this year.

Range: The immediate resistance is now close to 100.65. A break above 101.70 can take the dollar index higher towards 103.00 levels.

Gold: \$1255

Gold prices rose to the highest level in nearly 6 weeks as geopolitical tensions in Syria, and Korean peninsula led to safe haven buying in the pair. The pair is likely to take further cues from movement in dollar index.

Strategy: Gold has immediate resistance at \$1270 whereas support lies near \$1235.

Brent Crude: \$55.71

Crude prices rose handsomely gaining by almost 10% this week after US attack on Syria led to supply concerns. The pair has a stiff resistance at \$56.20 levels above which it is likely to head towards \$58-\$60 levels.

Strategy: Immediate support \$52.20 Resistance \$56.20.

Nifty: 9181

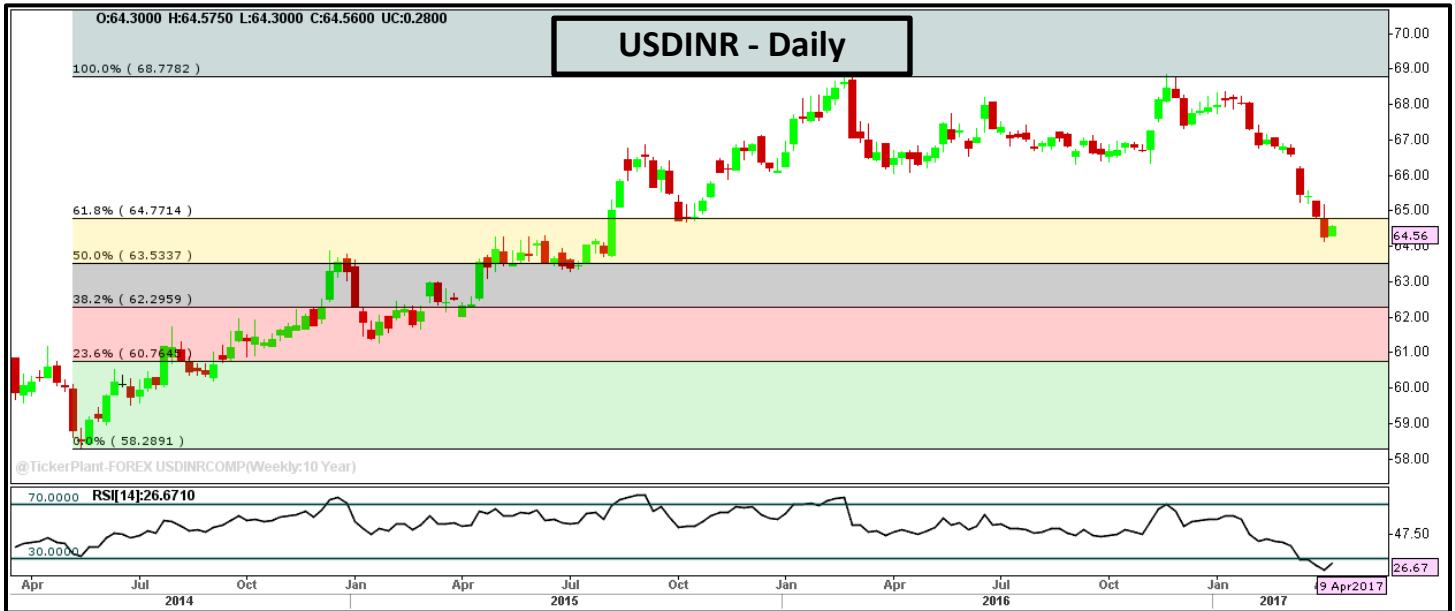
Nifty continues to trade with positive momentum, although it pared some of its gains after geopolitical tensions emerged on account of US bombing Syria. Traders and investors were also seen cutting long positions and booking profits ahead of the earning season. Nifty has a crucial support at 9130, below which it is likely to retest 8900. On the upside, break of 9270 is likely to take the pair towards 9350-9400.

Strategy: The next crucial resistance for the index is 9270 and then 9320 levels whereas support comes at 9130 levels.

Events Calendar:

Date	Description	Actual	Previous	Expected
03 Apr 2017	EUR Employment Rate	9.5%	9.6%	9.6%
04 Apr 2017	IND Holiday – Ram Navami			
04 Apr 2017	AUS RBA Interest Rate Decision	1.5%	1.5%	1.5%
04 Apr 2017	EUR ECB President Draghi's Speech			
05 Apr 2017	US FOMC Minutes			
06 Apr 2017	IND RBI Monetary Policy			
07 Apr 2017	US Non Farm Payroll	98k	219k	180k
07 Apr 2017	US Unemployment Rate	4.5%	4.7%	4.7%
Coming Week -				
10 Apr 2017	IND Trade Deficit (Mar)		\$8.9bn	
10 Apr 2017	US Yellen's Speech			
12 Apr 2017	CHN CPI (Mar)		0.8%	1.0%
12 Apr 2017	UK Claimant Count Change (Mar) (Unemployment)		-11.3k	
12 Apr 2017	IND Industrial Output (Feb)		2.7%	
12 Apr 2017	IND CPI (Mar)		3.65%	
13 Apr 2017	CHN Trade Balance (Mar)		-\$9.15bn	\$10bn
13 Apr 2017	IND WPI Inflation (Mar)		6.55%	
14 Apr 2017	IND Holiday – Good Friday			
14 Apr 2017	US Retail Sales (Mar)		0.1%	0.3%
14 Apr 2017	US CPI (Mar)		2.7%	2.6%

Technical Outlook:



USDINR has broken through the support at 64.77 levels. Further appreciation can be seen towards 63.80 levels. A decisive move above 64.80 would negate the downward trend.

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