

Weekly Report

USDINR: 64.40

Rupee continues on its appreciation path, taking support near 64.25 levels. The pair continues to trade with downward bias amid concerns aired by US president Donald Trump about the strength in US dollar. However, escalating geopolitical tensions in the Middle East and Korean peninsula is expected to keep the pair ripe for a bounce. A weekly close above 64.80 is required for confirmation of upward bias.

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: 1.0620

EURUSD moved broadly in the range of 1.0550-1.0650 this week. The pair reversed after taking support at 1.0570 after Trump's comments on interest rates and strong dollar. Broad based selling in the US dollar has kept Euro higher. French elections this week will provide further cues.

Strategy: The next support levels for the pair are now at 1.0570 whereas the resistance is at 1.0730.

GBPUSD: 1.2540

Pound had a stellar week on the back of sustained dollar selling and better economic data points. The inflation outlook released by BoE showed that inflation is likely to touch 2.3% this year. This led expectation of rate hike in coming months which in turn propelled pound higher.

Strategy: The Pair has support near 1.2460 and resistance near 1.2630 levels.

Dollar Index: 100.35

Dollar index fell by more than 0.5% after US president Donald Trump said that US dollar was too strong against other currencies and had to come down. He also said that interest rates are expected to remain low for a considerable time, leading to doubts over Fed's 2017 projection of 3 hikes. This led a broad based selling in the dollar index. US retail sales number as well as NFP also disappointed, leading to further weakness.

Range: The immediate resistance is now close to 100.47. On the lower side, immediate support is at 99.87 followed by 99.51.

Gold: \$1293

Gold prices rose to the highest level in nearly 7 months as geopolitical tensions in Syria, and Korean peninsula led to safe haven buying in the pair. The sell-off in US dollar also led to increase in demand for gold.

Strategy: Gold has immediate resistance at \$1302 whereas support lies near \$1265. A break above \$1305 on closing basis can take gold prices towards \$1380.

Brent Crude: \$55.48

Crude prices rose to touch highs of \$56.50 but couldn't sustain the momentum, even as traders wait on sidelines, waiting for further clarity about US and Korean stand-off in the Korean peninsula. The risk of geopolitical instability continues to keep crude prices supported.

Strategy: Immediate support \$54.60 Resistance \$56.50.

Nifty: 9144

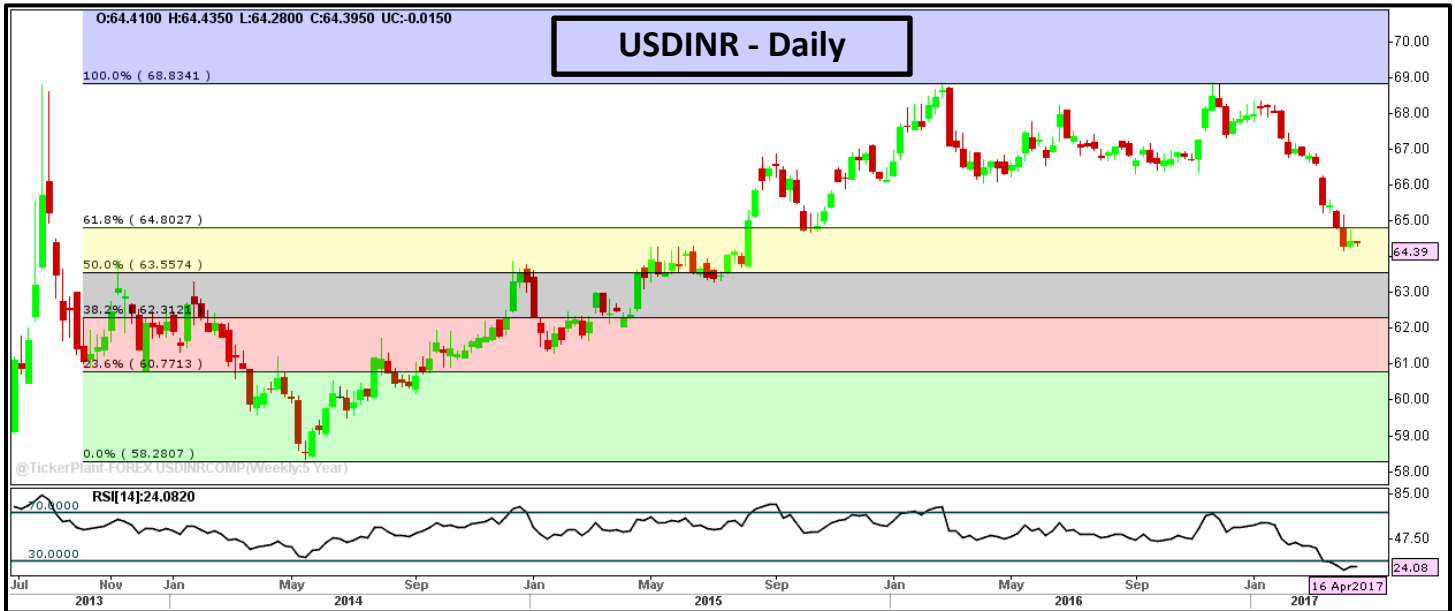
Nifty witnessed profit booking by FPIs, with 9200 acting as tough resistance. FPIs have been on the selling side last week, preferring debt securities to equities as corporate earnings season kicks in. However, the upward trend remains intact as long as 9084 is protected on closing basis.

Strategy: The next crucial resistance for the index is 9190 and then 9270 levels whereas support comes at 9130 and 9084 levels.

Events Calendar:

Date	Description	Actual	Previous	Expected
10 Apr 2017	IND Trade Deficit (Mar) – released on 13 th	\$10.44bn	\$8.9bn	
10 Apr 2017	US Yellen's Speech			
12 Apr 2017	CHN CPI (Mar)	0.9%	0.8%	1.0%
12 Apr 2017	UK Claimant Count Change (Mar) (Unemployment)	25.5k	-11.3k	
12 Apr 2017	IND Industrial Output (Feb)	-1.2%	2.7%	
12 Apr 2017	IND CPI (Mar)	3.81%	3.65%	
13 Apr 2017	CHN Trade Balance (Mar)	\$23.93bn	\$-9.15bn	\$10bn
13 Apr 2017	IND WPI Inflation (Mar) – released on 17 th	5.70%	6.55%	
14 Apr 2017	IND Holiday – Good Friday			
14 Apr 2017	US Retail Sales (Mar) (previous month revised from 0.1%)	-0.2%	-0.3%	-0.1%
14 Apr 2017	US CPI (Mar)	2.4%	2.7%	2.6%
Coming Week -				
17 Apr 2017	UK/AUS Easter Holiday			
17 Apr 2017	CHN GDP (Q1)		6.8%	
17 Apr 2017	CHN Industrial Production (Feb)		6.3%	
17 Apr 2017	JP BoJ Governor Kuroda Speech			
18 Apr 2017	AUS RBA Meeting Minutes			
18 Apr 2017	US Industrial Production (Mar)		0%	
20 Apr 2017	US Initial Jobless Claims		234k	
20 Apr 2017	EUR Consumer Confidence (Apr)		-5	
21 Apr 2017	EUR Manufacturing PMI (Apr)		56.2	
21 Apr 2017	EUR Service PMI (Apr)		56.0	
21 Apr 2017	US Manufacturing PMI (Apr)		53.3	
21 Apr 2017	US Services PMI (Apr)		52.8	

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.

Contact us at: info@blacpearl.in

Disclaimer

Copyright @ BlacPearl Consultancy LLP

The information contained in this report including text, graphics or other items are provided on an 'as is', 'as available' basis. These views/ forecasts/ suggestions, though proffered with the best of intentions, are based on BlacPearl reading of the market at the time of writing. Though the information sources are believed to be reliable, the information is not guaranteed for accuracy. Those acting in the market on the basis of these are themselves responsible for any profits or losses that might occur, without recourse to us. World financial markets are inherently risky and it is assumed that those who trade these markets are fully aware of the risk of real loss involved. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of BlacPearl.