

## Weekly Report

### USDINR: 66.70

Rupee is seeing continued strength / support on account of selling of USD by the foreign banks. Markets are now eyeing the Q4 GDP numbers, releasing on Tuesday 28<sup>th</sup> Feb to assess the impact of Demonetisation on the economy.

**Strategy: Rupee has good long term support near 66.45-50 levels. A move above 67.15 can see sharp appreciation in the USDINR pair towards 67.80-68.00 levels. As advised earlier, importers can continue to hedge, whereas exporters can still hold.**

### EURUSD: 1.0545

EURUSD closed the week in red sub 1.06 levels, undermined by the political woes in the region ahead of the French, Dutch and German elections. Euro is seen enduring a rough month up till now, losing 2.4% so far.

**Strategy: The next support levels for the pair are now at 1.0520 and then at 1.0450.**

### GBPUSD: 1.2410

The Pound however, was seen advancing modestly last week. However, markets will watch out when PM May is expected to trigger the Brexit process in about a month. Scottish referendum talks are likely to keep it volatile though.

**Strategy: The pair can be bought close to the support level at 1.2280 levels.**

### Dollar Index: 101.10

Dollar index managed to post weekly gains, making it the third consecutive week of Dollar strength. The Dollar rose to 101.72 levels during the week, before losing moment following FOMC's Minutes. Many US policy makers vowed for a rate hike "fairly soon" but market's confidence about a March hike tumbled amid uncertainty about fiscal policies. Investors are looking ahead to an address by President Trump to Congress next week for further clarity on his economic policy.

**Range: The immediate resistance is now close to 101.70. Immediate support is close to 100.40.**

### Gold: \$1256

Gold prices hit a three and a half month high; amid tempered expectations of a US rate hike in March and as investors' await clarity on President Donald Trump's economic policy.

**Strategy: Gold broke above the immediate resistance at \$1250, beyond which the bullion can now move towards \$1275. Immediate support is now at \$1230.**


**Brent Crude: \$56.66**

Crude continues to trade in the range of \$54-\$57 per barrel. The oil price are stable as the concerns over rising production of Shell Oil and swelling stockpiles in the US offset the optimism that OPEC and its allies have been following through their commitment for production cuts. This tug-of-war of trying to balance the market has the price stuck in the middle.

**Strategy: Immediate support \$54.35, Resistance \$57.50. A break above \$58 levels could be very crucial as it would be a channel breakout and can see crude prices go above \$65 levels.**


**Nifty: 8920**

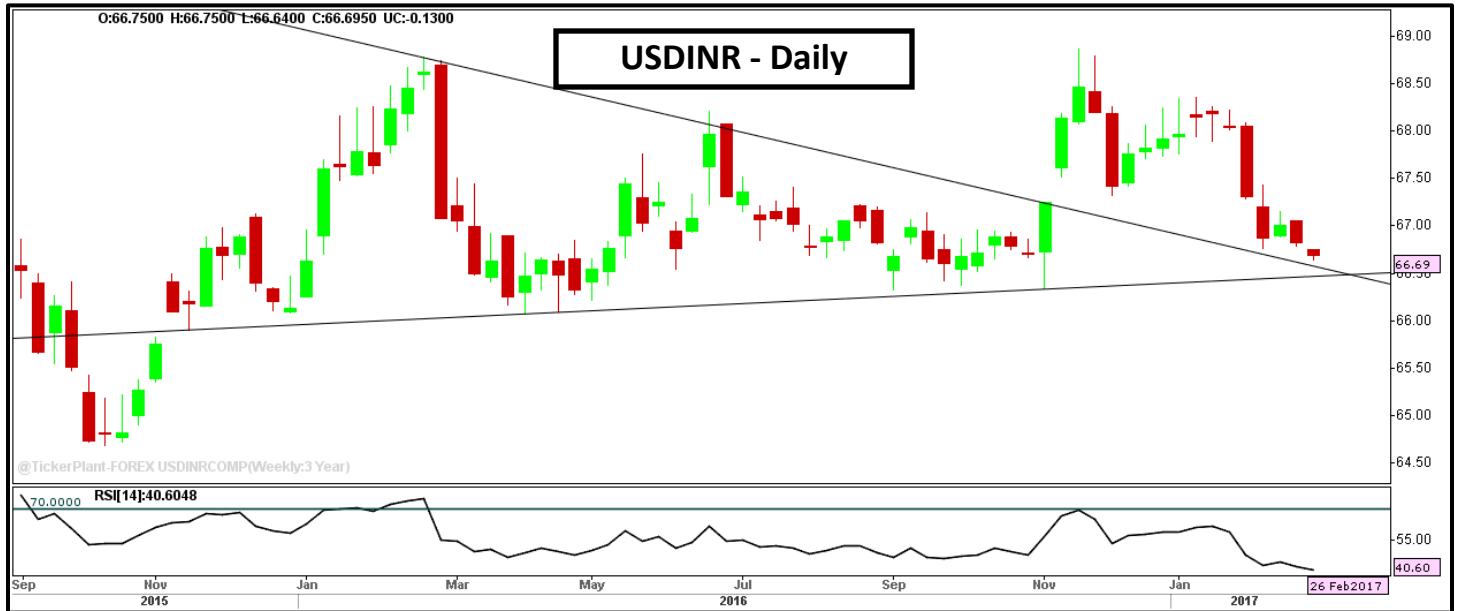
Nifty continues to trade with positive momentum and was seen touching the new 52 weeks high at 8982 level, which is also the key resistance for the index. The upcoming week will see release of several important numbers like Indian Q4 GDP, Monthly Auto Sales and 8 core industries ECI.

**Strategy: The next crucial resistance for the index is at 8960-8980 levels. A break below 8800 can see sharp fall toward 8400-8500 levels.**

## Events Calendar:

Date	Description	Actual	Previous	Expected
16 Feb 2017	ECB Monetary Policy Meeting			
20 Feb 2017	US Holiday (President's Day)			
21 Feb 2017	India Currency Markets Shut (BMC Elections)			
22 Feb 2017	EUR CPI (JAN)	1.8%	1.8%	1.8%
22 Feb 2017	US FOMC Minutes			
23 Feb 2017	US Initial Jobless Claims (previous month revised for 239k)	244k	238k	241k
24 Feb 2017	India Holiday (Mahashivratri)			
<b>Next Week -</b>				
28 Feb 2017	IND GDP (Q4)		7.3%	
01 Mar 2017	JP Nikkei Manufacturing PMI (FEB)		53.5	
01 Mar 2017	CNY Non – Manufacturing PMI (FEB)		54.6	
01 Mar 2017	EUR Markit Manufacturing PMI (Feb)		55.5	
01 Mar 2017	UK Markit Manufacturing PMI (Feb)		55.9	
01 Mar 2017	US Markit Manufacturing PMI (Feb)		54.3	
02 Mar 2017	EUR Unemployment Rate (JAN)		9.6%	

## Technical Outlook:



As expected, USDINR is taking support near the long term trend line placed at 66.50. RSI continues to trade near the lows. A break above 67.15 will take the pair towards 67.80 – 68.00 levels.

Contact us at: [info@blacpearl.in](mailto: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.