

Weekly Report

USDINR: 64.18

USDINR continues to trade within a strict range of 64.00-64.30 with RBI providing support at lower levels. Globally, volatility has been at a lowest in almost 3 years, as most of the impending events have been dealt with. FPIs have started pulling out of the equity markets, although the inflow continues in the debt market. USDINR continues to outperform the EM peers, and a move towards 63.80 cannot be ruled out.

Strategy: The pair is now headed towards 63.80-64.00 level which is the next support zone. Importers are advised to cover near term exposure on dips below 64.00. Exporters are advised to hedge using options.

EURUSD: 1.0930

EURUSD continues to be buoyed by the fall in dollar index, as well as host of better than expected economic data points. The consumer price index (CPI) data as well as economic sentiments showed a marked improvement. This coupled with a dismal performance by US dollar led to EUR/USD reaching a four month high. The move was however stalled after ECB President Draghi presented a dovish outlook in the monetary policy. ECB President also didn't signal the winding down of stimulus as expected.

French elections due on 7th May would be a crucial factor for the pair, and a win for LePen would take the pair lower.

Strategy: The pair finds crucial resistance at 1.1020 above which the pair is likely to move towards 1.12 levels.

GBPUSD: 1.2888

Pound continues to head higher towards 1.2900 buoyed by UK PM Theresa May's decision to hold election and a fall in overall Dollar Index. The pair however stalled near the 1.2900 mark after UK's Q1 GDP numbers disappointed. Preliminary reports pegged UK's Q1 GDP growth at 2.1% against a consensus of 2.2%. Reports of failed talks between PM May and President of European Commission Jean Claude Juncker led to further fall in the pair.

Strategy: The Pair has support near 1.2720 and resistance near 1.3040 levels.

Dollar Index: 99.10

Dollar index continues to trade near a four month low of 99, after a series of dismal economic data points led to broad based selling in the dollar. The durable goods order increased by only 0.7% against an expectation of a 1.2% growth. US Q1 GDP growth came in at 0.7% vs 1.2% expected. FED members kept the interest rate unchanged, but presented a hawkish stance by attributing the slowdown in Q1 growth to harsh weather conditions.

Range: The immediate resistance is now close to 99.80. On the lower side, immediate support is at 98.60 followed by 98.20.

Gold: \$1236

Gold prices tumbled as geopolitical tensions eased last week. US President's plan to cut corporate tax led to a rally in equities and other risky assets, sending the bullion lower. A hawkish stance by FED in its FOMC policy also led to a fall in the yellow metal.

Strategy: Gold has immediate resistance at \$1260 whereas support lies near \$1220.

Brent Crude: \$50.38

Crude prices fell by more than 2% last week following Saudi prince's comments that OPEC production cut in the next meet seems difficult. Saudi Arabia has been increasingly asking Iran to stick to the deal whereas Iran continues to increase the production after the sanctions were lifted. EIA crude oil inventory data showed a dip of 93mln barrels against an expectation of 216mln barrels. This led to further fall in the prices.

Strategy: Immediate support \$49.05 Resistance \$52.35.

Nifty: 9360

Nifty continues to consolidate between 9300 and 9380 levels as FPIs continue to pull out funds from the domestic markets. Domestic equity markets however, are being supported by DIIs. Nifty is likely to take further cues from the global equity indices as domestic factors remain conducive. Corporate results will also drive the market going forward.

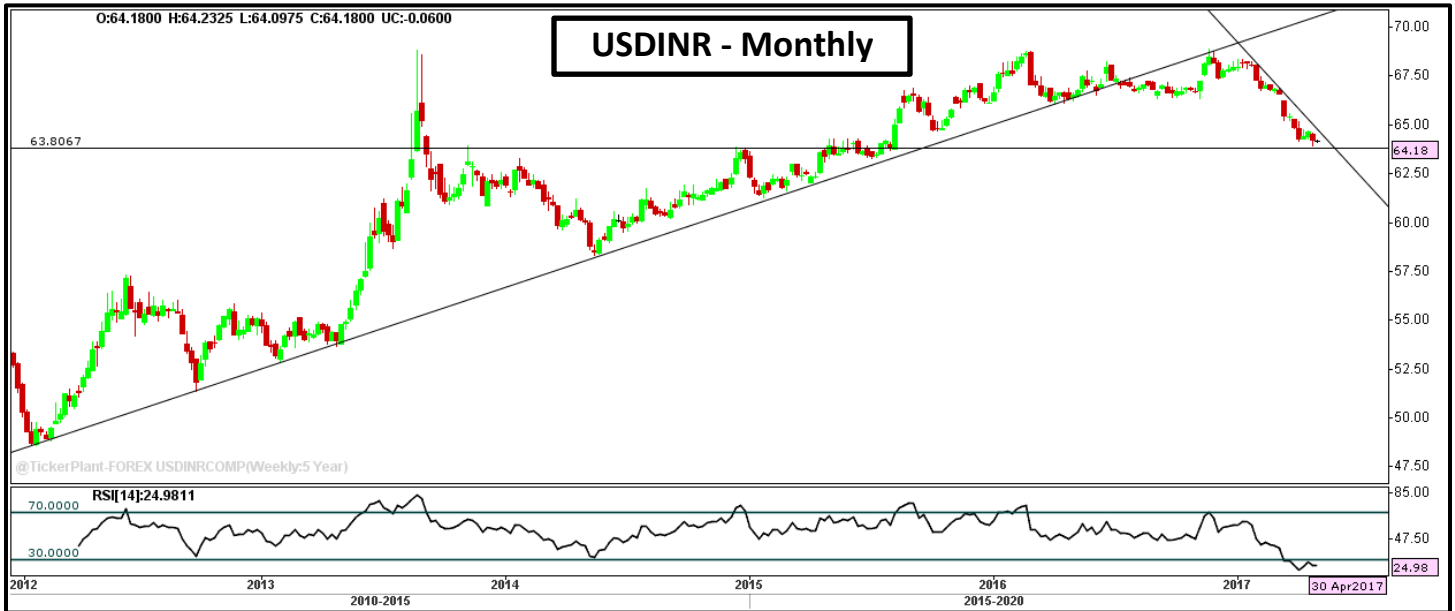
Strategy: The next crucial resistance for the index is now at 9440, beyond which it could test 9550-9600 levels. Downside support is at 9280.

Events Calendar:

Date	Description	Actual	Previous	Expected
27 Apr 2017	JP BoJ Interest Rate Decision	-0.1%	-0.1%	-0.1%
27 Apr 2017	EU ECB Interest Rate Decision	0%	0%	0%
27 Apr 2017	US Initial Jobless Claims	257k	244k	241k
28 Apr 2017	IND Federal Fiscal Deficit(Mar) (Awaited)		6056.14B	
28 Apr 2017	IND Infrastructure Output	5%	1%	
Coming Week -				
01 May 2017	IND Holiday – Maharashtra Day			
01 May 2017	CHN, EU and UK Holiday – Labour Day			
01 May 2017	JP BoJ Monetary Policy Meeting Minutes			
02 May 2017	EU Unemployment Rate	9.5%	9.5%	9.4%
03 May 2017	US Fed Interest Rate Decision	1%	1%	1%
03 May 2017	EU GDP (Q1) (Preliminary)	1.7%	1.7%	1.7%
03 May 2017	EU Producer Price Index (Mar)	3.9%	4.5%	4.1%
04 May 2017	EU Retails Sales (Mar)	0.3%	0.5%	0.1%
04 May 2017	US Initial Jobless Claims (Apr 28)		257k	247k

04 May 2017	EU ECB President Draghi's Speech		
05 May 2017	US Non Farm Payrolls (Apr)	98k	180k
05 May 2017	US Unemployment Rate (Apr)	4.5%	4.6%
05 May 2017	US Feds Yellen's Speech		
07 May 2017	France Presidential Election		

Technical Outlook:



The next crucial support for the pair is at 63.80 levels. The pair faces immediate resistance near 64.70 levels. The pair is likely to move towards 63.80 in the coming week.

Contact us at: info@blacpearl.in

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