

Weekly Report

USDINR: 65.04

Rupee continued to appreciate, aided this time by equivalent appreciation in emerging market currencies as dollar index tumbled to a 5-month low as Fed stayed on course, reiterating its stance of a gradual rollout of rate hikes. This coupled with uncertainties regarding President Trump's policies led to a broad based selling in dollar long positions. The inability of Republicans to pass the healthcare act has also made dollar edgy as investors are worried about the effectiveness of Trump's policies.

As discussed, USDINR has broken through the key long term ascending trend line, and 64.70-80 is likely this week. Month end selling pressure from banks and corporates is also likely to affect the pair.

Strategy: Options would be the best strategy for hedging near term payables and receivables. Immediate support lies near 64.70 and 64.50 whereas the resistance is at 65.35.

EURUSD: 1.0865

EURUSD continues to rise with positive bias as fall in dollar index coupled with positive sentiments from the Eurozone kept euro elevated. The positive sentiments stemmed from the fact that Netherlands PM Mr.rutte won the elections. This was a huge booster as it was widely expected that the separatist left party would win.

Strategy: The pair finds resistance at 1.0890 whereas support comes at 1.0765.

GBPUSD: 1.2591

The Pound gained on the back of bearish dollar outlook and expectations from Brexit negotiations due to start from March 29. The pair is likely to take further cues from dollar index in absence of key triggers.

Strategy: The pair faces immediate resistance at 1.2640 levels. On the lower side, 1.2410 and 1.2320 will act as support.

Dollar Index: 99.12

Dollar index continues to fall after Republicans failed to pass the healthcare act, which was touted as a replacement of Obamacare and the first major decision of Trump administration. The failure of this has worried investors as the infighting amongst Republicans is seen as a major roadblock for Trump administration.

Range: The immediate support is at 98.70 whereas the resistance is placed at 99.47.

Gold: \$1257

Gold prices continued to rise higher as dollar index tumbled post the failure of Republicans to pass the healthcare act. This has led to appreciation in safe haven assets namely gold and yen as investors continue to feel jittery regarding Trump administration and its policies.

Strategy: Gold has immediate resistance at \$1260 whereas support lies near \$1235. A decisive move above \$1265-70 levels would take gold towards \$1310-\$1330 range.

Brent Crude: \$50.62

Crude prices continue to be under pressure amid uncertainties regarding the extension of supply cut agreement. Crude prices rose briefly after the communique was established regarding the same, but fell immediately after the decision was postponed to April.

Strategy: Immediate support \$49.40, Resistance \$51.75.

Nifty: 9045

Nifty reversed some of the gains this week as uncertainties regarding Trump administration's policies led to a sharp sell-off in US equity markets. Some profit taking was also seen at higher levels before the March year end book closing. Nifty continues to trade with a negative bias and a weekly close below 8940 would pave way for a deeper correction towards 8725 levels. On the upside a break above 9160 would lead to a move towards 9300.

Strategy: The next crucial resistance for the index is 9160 and then 9320 levels whereas support comes at 8940 levels.

Events Calendar:

Date	Description	Actual	Previous	Expected
21 Mar 2017	US President Trump's Speech			
21 Mar 2017	UK CPI (Feb)	2.3%	1.8%	2.1%
21 Mar 2017	UK BoE Governer Carney's Speech			
23 Mar 2017	UK Retail Sales (Feb)(Previous month Revised from 1.5%)	3.7%	1.0%	2.6%
23 Mar 2017	US Fed Chair Yellen's Speech			
Coming Week -				
28 Mar 2017	IND Holiday – Gudi Padwa			
29 Mar 2017	UK Govt. Triggers Article 50 for Brexit			
30 Mar 2017	US GDP (Q4)		1.9%	
31 Mar 2017	UK GDP (Q4)		2.0%	2.0%
31 Mar 2017	IND Fiscal Deficit (Feb) (INR)		5641.92B	

Technical Outlook:



As shown in the chart, USDINR broke through the supports of 66.45 & 66.09 post the BJP win in UP elections. As discussed, the pair is looking to move towards 64.70-64.80 which was the 2015 low. On the upside 65.35 and 65.75 continue to act as resistance.

Contact us at: info@blacpearl.in

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