FUNDAMENTAL OUTLOOK

Key Highlights

Trump signed a bill supporting Hong Kong protestors

India’s Q2 GDP slumps to 4.5%

Indian Rupee appreciated by 0.1 percent last week while the Dollar index increased by 0.08 percent during the same time frame. India’s Q2 GDP growth comes in at 4.5% against market expectations of 4.7%.

On the trade war front, China held off from retaliating against the U.S. after President Trump signed a bill supporting Hong Kong’s anti-Beijing protesters, as both sides remained confident they can sign a partial trade deal in the coming weeks, officials in the U.S. and China said. Jerome Powell spoke at the “The Economic Outlook and Monetary Policy” in Zurich and addressed that the Central Bank is strongly committed towards its 2 percent inflation target. The remarks are further indication that the Central Bank is highly unlikely to cut rates anytime soon. CB Consumer Confidence Index fell in November to 125.5, although the October number was upwardly revised to 126.1.

USDINR is expected to depreciate in today’s session.

Euro

EURUSD depreciated by 0.1 percent last week while EURINR appreciated by 0.19 percent the same time frame.

CPI from Germany came in at -0.8 percent for Oct’19 against market expectations of -0.7 percent. The outlook for Germany’s economy brightened as the monthly index issued by the German Institute for Economic Research (DIW) climbed by 1.5 points to 91.5 points in Nov’19. Private households in Germany continued to benefit from rising incomes. Both the employment level and wages in Germany continued to rise.

EURINR is expected to depreciate today’s session.

GBP

GBP increased against USD by 0.64 percent last week while GBPINR depreciated by 0.54 percent.

The formal launch of the Conservative Party’s election pledge centred on the key manifesto of PM Boris Johnson’s campaign: making Brexit happen. The UK released the November Nationwide Housing Price Index, which was up by 0.5% MoM and by 0.8% YoY, beating the market’s expectations.

GBPINR is expected to depreciate in today’s session.