

CURRENCY OUTLOOK

FUNDAMENTALS OF CURRENCY:

- WEEK AHEAD: The US is releasing the second estimate of Q1 GDP, alongside durable goods orders, personal income and outlays, and PCE price index; while President Biden's FY2022 budget is also highly anticipated. Elsewhere, central banks in South Korea, Indonesia and New Zealand will be deciding on monetary policy, while other GDP updates to follow include those from Germany, France, Mexico and Singapore. Investors also eye the publication of the Eurozone business survey, China industrial profits, Japan unemployment rate and Australia's first-quarter construction output.
- The dollar index recovered some ground to trade around the 90 level on Friday after hovering at yearly lows early in the session. Treasury yields edged higher after fresh Markit PMIs pointed to record growth in both services and manufacturing sectors in May but also to rising inflationary pressures. On the week, however, the greenback fell 0.3% as the Fed minutes-fuelled bounce fades. FOMC minutes on Wednesday showed some policymakers are already comfortable discussing a tapering plan if the US economy continues to pick up strongly and inflationary pressures persist.
- The euro firmed above the \$1.22 level on Friday, remaining close to an over four-month peak of \$1.224 hit on Wednesday, helped by broad dollar weakness and the prospect of a solid economic recovery in 2021. The flash PMI survey showed the Eurozone private sector activity grew at a sharply faster rate in May, easily beating market expectations, as economies continued their re-opening efforts.

RBI REFERENCE RATE

INDEX	CLOSE	PREV. CLOSE	CHANGE IN %
USDINR	73.3721	73.4389	-0.09
GBPINR	103.0467	103.795	-0.72
EURINR	88.7568	89.1171	-0.40
JPYINR	67.01	67.51	-0.74

FII FIGURES

DATE	EQUITY	BOND
21-MAY	510.16	649.1
20-MAY	71.04	-876.06
19-MAY	-697.75	-852.52
18-MAY	618.49	449.52
17-MAY	-2255.84	1948.48
NET	-1753.9	1318.52

U S DOLLAR INDEX



USDINR TECHNICAL CHART



Technical indicators (Daily):

- RSI- -33.3579
- MACD- -0.2866
- MOVING AVERAGES (20,50,100)-
(73.6344/73.6944/73.3227)

WEEKLY PIVOT LEVELS

S3	S2	S1	PIVOT	R1	R2	R3
73.89	73.68	73.27	73.05	72.65	72.43	72.03

Pivot levels for Domestic Currencies

PAIR	R2	R1	P	S1	S2
USDINR	73.68	73.27	73.05	72.65	72.43
EURINR	89.96	89.51	89.14	88.69	88.32
GBPINR	104.56	104.07	103.61	103.11	102.65
JPYINR	67.49	67.28	67.11	66.90	66.73

Pivot levels for Global Currencies

PAIR	R2	R1	P	S1	S2
EURUSD	1.2310	1.2266	1.2198	1.2154	1.2086
GBPUSD	1.4326	1.4267	1.4173	1.4114	1.4020
USDJPY	109.6133	109.1267	108.8633	108.3767	108.1133

Currency Majors

CURRENCY	FXMAJORS	CLOSEPRICE	DAY	WEEK	MONTHLY	YTD
EURO	EURUSD	1.21806	-0.38%	0.29%	1.38%	-0.30%
POUND	GBPUSD	1.4157	-0.20%	0.47%	2.31%	3.54%
AUSTRALIAN DOLLAR	AUDUSD	0.77256	-0.60%	-0.70%	0.29%	0.23%
YEN	USDJPY	108.96	0.11%	-0.35%	0.91%	5.53%
YUAN	USDCNY	6.43443	0.04%	-0.08%	-0.95%	-1.04%
SWISS FRANC	USDCHF	0.89776	0.03%	-0.40%	-2.11%	1.43%
CANADIAN DOLLAR	USDCAD	1.20648	0.02%	-0.32%	-3.51%	-5.25%
MEXICO PESO	USDMXN	19.9421	0.32%	0.40%	0.00%	0.21%
INDIAN RUPEE	USDINR	72.817	-0.26%	-0.65%	-3.05%	-0.30%
BRAZILIAN REAL	USDBRL	5.3617	1.50%	1.69%	-1.53%	3.24%
RUSSIAN RUBBLE	USDRUB	73.503	0.07%	-0.47%	-2.28%	-0.39%
DOLLAR INDEX	DX	90.022	0.24%	-0.33%	-1.44%	0.09%
KOREAN WON	USDKRW	1124.26	-0.05%	0.13%	0.70%	3.71%
SOUTH AFRICAN RAND	USDZAR	13.9499	-0.14%	-1.14%	-2.43%	-5.02%
SINGAPORE DOLLAR	USDSGD	1.33115	0.03%	0.00%	0.14%	0.68%
HONGKONG DOLLAR	USDHKD	7.76348	0.01%	-0.04%	0.05%	0.14%

COMMODITY MARKET OUTLOOK

Pivot levels for MCX Bullion:

COMMODITY	R3	R2	R1	P	S1	S2	S3
GOLD	49871	49373	48906	48408	47941	47443	46976
SILVER	77090	75656	73378	71944	69666	68232	65954

Pivot levels for MCX Energy:

COMMODITY	R3	R2	R1	P	S1	S2	S3
CRUDEOIL	5239	5065	4864	4690	4489	4315	4114
NATURAL GAS	245.5	238.4	225.2	218.1	204.9	197.8	184.6

Pivot levels for MCX Metals:

COMMODITY	R3	R2	R1	P	S1	S2	S3
ALUMINIUM	209.9	204.7	196.4	191.3	183.0	177.8	169.5
NICKEL	1421.9	1379.7	1301.8	1259.6	1181.7	1139.5	1061.6
ZINC	253.2	248.3	239.5	234.5	225.7	220.8	212.0
COPPER	833.6	813.3	777.5	757.1	721.3	701.0	665.2
LEAD	181.9	179.4	176.0	173.5	170.2	167.7	164.3

FUNDAMENTALS OF COMMODITY:

- Gold climbed above the \$1,880 level an ounce on Friday, extending gains for the seventh straight session, its longest winning streak since July 2020, amid general dollar weakness and falling Treasury yields. The precious metal has played a crucial role as an inflation-hedging asset as investors moved to price in a roaring comeback for the US economy and increased price pressures. Given the above and the fact that investors are ditching bitcoin in favour of gold, we could expect further upside in the short term. Bullion rallied more than 2% this week and so far is up more than 6% in May.
- Silver fell almost 1% to \$27.50 an ounce on Friday, following strong PMI figures, which also pushed the greenback higher. Still, the metal ended the week on a high note amid growing industrial demand as the economic recovery from the Covid-19 blow gathers pace. A global shift towards green technologies, such as solar panel production, lent further support for semi-precious metal.
- Oil prices moved higher on Friday, with WTI crude rising 2.6% to \$63.58 a barrel and Brent settling at \$66.44 a barrel, supported by weather-driven supply concerns as a storm formed in the Gulf of Mexico. On top of that, investors were upbeat about fuel demand recovery this summer, with vaccination programs in Europe and the US set to allow more people to travel. However, such optimism was not enough to offset worries about rising coronavirus cases in Asia and signs of progress in the US-Iran nuclear talks, which could bring more oil into an already oversupplied market.

Commodity Majors

COMMODITY	PRICE	DAY	WEEKLY	MONTHLY	YTD
CRUDE OIL	63.87	3.13%	-2.29%	3.97%	31.64%
BRENT	66.73	2.49%	-2.88%	2.03%	28.82%
NATURAL GAS	2.9	-0.79%	-2.06%	5.49%	14.22%
GOLD	1881.1	0.23%	2.11%	5.45%	-0.81%
SILVER	27.539	-0.72%	0.45%	5.23%	4.48%
PLATINUM	1166.5	-2.47%	-4.78%	-3.05%	9.43%
PALLADIUM	2783.06	-2.42%	-3.78%	-1.89%	13.70%
COPPER	4.496	-1.88%	-3.60%	5.03%	27.76%
LEAD	2193.5	-1.35%	2.61%	8.13%	11.02%
ALUMINIUM	2378.5	0.30%	-2.77%	1.09%	20.08%
TIN	29522.5	-0.20%	0.03%	10.41%	45.32%
ZINC	2968.75	0.24%	0.98%	6.25%	7.92%
NICKEL	16756	-2.10%	-4.34%	4.60%	1.22%

MCX GOLD CHART



Technical indicators (Daily):

- RSI- 61.9044
- MACD- 479.5060
- MOVING AVERAGES (20,50,100)-
(47622/46526/47128)

WEEKLY PIVOT LEVELS

S3	S2	S1	PIVOT	R1	R2	R3
49871	49373	48906	48408	47941	47443	46976

MCX CRUDE OIL CHART



Technical indicators (Daily):

- RSI- 48.0056
- MACD- 13.0743
- MOVING AVERAGES (20,50,100)- (4752/4622/4386)

WEEKLY PIVOT LEVELS

S3	S2	S1	PIVOT	R1	R2	R3
5239	5065	4864	4690	4489	4315	4114

MCX COPPER CHART



Technical indicators (Daily):

- RSI- 44.1497
- MACD- 11.2774
- MOVING AVERAGES (20,50,100) - (768.55/720.68/680.5)

WEEKLY PIVOT LEVELS

S3	S2	S1	PIVOT	R1	R2	R3
833.6	813.3	777.5	757.1	721.3	701.0	665.2

UPCOMING ECONOMIC EVENTS

DATE	TIME	COUNTRY	DATA	FORECAST	PREVIOUS
Mon May 24	All Day	EUR	French Bank Holiday		
			German Bank Holiday		
	5:35pm	JPY	BOJ Gov Kuroda Speaks		
	8:00pm	GBP	BOE Gov Bailey Speaks		
Tue May 25	1:30pm	EUR	German ifo Business Climate	98.2	96.8
	7:30pm	USD	CB Consumer Confidence	119.4	121.7
Wed May 26	8:00pm	USD	Crude Oil Inventories		1.3M
Thu May 27	6:00pm	USD	Prelim GDP q/q	6.40%	6.40%
		USD	Unemployment Claims	427K	444K
	7:30pm	USD	Pending Home Sales m/m	0.60%	1.90%
	8:00pm	USD	Natural Gas Storage		71B
Fri May 28	6:00pm	USD	Core PCE Price Index m/m	0.60%	0.40%

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