

## *Busy week ahead!*

### Local Markets

#### USDMUR

The USDMUR fell in love with 36.50 price levels and kept at it for quite a while, despite the buoyant EURUSD. Eventually it had to snap and made its way lower with the increased supply of currency on the local market. With the general elections nearing, we should see a very careful market with volume remaining skimpy. After failing to break above 36.50, the greenback could make a deeper pullback especially if some traders want to square out before the big event.

#### EURMUR

Mimicking the moves in EURUSD, EURMUR also kept a consistent uptrend, with the dollar globally on the back foot and Brexit optimism, chances are the EURMUR could make it to new highs, conditional on a stable USDMUR of course. The 40.50 area is an interesting point to watch for the pair, given that one hand these levels remain attractive for sellers, while buyers remain consistently present to cater for their regular transactions irrespective of the price they are having to pay. Who will give up first? Only time can tell.

#### GBPMUR

Brexit news is still making the currency go haywire. News of a possible deal sent the pound flying. The same news gave us hope that we will stop seeing the Brexit headlines but it actually did otherwise. For now, we just sit and watch as the pound nose dives as political risks surface again!

### Global Markets

Key events this week remain the monetary policy decisions of the Federal reserve, Bank of Japan and the Bank of Canada. While the latter two are expected to stay put and play on words, the Fed is actually expected to cut rates another 25bp.

This cut should help the economic weakness from spreading. Declining inflation, decelerating growth and dark spots in the labor market, if sustained, could lead to further easing down the line.

We are also entering a new era of the EU monetary policy. With Christine Lagarde at the helm of the European Central Bank after Mario Draghi's epoch, we could see a totally different "façon de faire". We should allow ourselves a few speeches to get used to the new ways.

Overall busy week ahead with some important risk events. From Monetary policy to Brexit delay via economic reports, we will have a little something for everyone.



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