



## Executive Summary

The recovery strength of the world stock markets showed that market inevitably driven by fund flow mechanism and the easing of trade tension between US and China had really helped the investors' to regain the confidence. The Strike of Moody credit rating downgrade had given a grey shade to that ongoing positivity at the end of week. The mounting of debt is a concern for US but realising the mammoth size of its GDP compared with other countries reveal that there is ample scope for management. The rift between US and China is also a tussle between the nations to grab the role of global leadership. At present Chinese GDP is 63 percent of US GDP and it is really an agonizing factor to ignite phobias. For China, there is miles to go before grabbing that Coveted position. At present all these imaginations are from the point of view of economic performance of the country but we really ignore strong financial institution and giant companies of US which seize the prominent positions in Forbes list. US really shows us that staying ahead means staying aggressive in all aspects of competition. The trump role as a messiah of US economy has to interpreted from these ongoing economic developments.

If the lion king decides to retain all his hunt, then it is indirectly delivering the strong message that don't grow at the stake of me. After the tariff war , two perspectives are evolving in US, the US economic perspective and US companies perspective because the major pie of global consumption is ignited by the supply chain efficiency of giant companies. It is interesting to watch , how these perspectives evolve over the period of time. According to me. Trump agenda of "Made in US" is not enchanting slogan for US companies and for them it is night mare of mammoth investments and digging value from highly priced labour. There is ample scope to speculate that the acute business man turned president may have bigger vision by finding synergy through artificial intelligence and robotics. In that scenario, it will result in paradigm shift that laydown new stories of productional efficiencies through evolving technologies. And if there are no such agendas attached then it is just like poking the back with burning wood. World had already witnessed the exceptional skill of US to manage inflation after quantitative easing and how far this skill will help in future if the trade dynamics are changed by tariff war. The appeal of dollar as an international currency might get affected if US lose its role as a centre of global consumption. It is important to realize that, for US it is very difficult to neutralize the threat of China because US is fighting with an enemy country which has the highest dollar reserves. Having said this does not mean that China is invincible. When giant fight with each other, both will get

wounds irrespective of the fact about the magnanimity of might. And the weak will perish even though the war is between giants.

Global stock markets continued its recovery ballet with positive movements. The easing of trade tension between US and China really helped the market mood to gain most of the pie that is lost. The picking up industrial production and retail sales in China alleviated the fears of market participants. The marginal surge of inflation in US might not worry the market but it the time to take with cautious note if the shows a continuous rising tendency. Mixed sentiments noticed in commodities market, where crude oil and gold retained its negative correlation.

## World Stock Markets

Major index all over the world showed the continuity of recovery mood after the bearish lash due to tariff war had lost its prominence over time. At present the recovery movements are more transient in nature and it shows more about the ability of the market participants to control the flow of money. The US and China tariff negotiations reached more consensus and US reduced Tariff from 145% to 30% and China lowered its tariff from 125% to 10% and these sentiments also reflected in market movements. The slump in US consumer sentiments, slow down in Chinese retail sales and the slowdown in China industrial output lacked immediate attention of the market. Meanwhile Moody down grade of US credit rating published at the end of the week from Aaa to Aa1 due to escalation of national debt call for cautious note but not immediately reflected in market movements. In response to downgrade US treasury secretary Scott Bessant dismissed the downgrade as a lagging indicator attributing the fiscal challenges to previous administrations policies.

World Exchanges Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 S&P 500	5659.91	5807.20	5958.62	5786.08	5958.38	5.27
2 NASDAQ Composite	17928.92	18674.56	19213.42	18472.71	19211.10	7.15
3 Nikkei 225	37503.33	37697.28	38494.06	37417.39	37753.72	0.67
4 SSE Composite Index	3342.00	3352.97	3417.31	3344.27	3367.46	0.76
5 Hang Seng Index	22867.74	23183.81	23710.82	22982.91	23345.05	2.09
6 FTSE 100	8554.80	8554.80	8697.00	8531.10	8684.60	1.52
7 Euro STOXX 50	5309.74	5319.28	5450.95	5319.28	5427.53	2.22
8 Nifty 50	24008.00	24420.10	25116.25	24378.85	25019.80	4.21
9 DAX 40	23499.32	23758.58	23911.98	23338.89	23767.43	1.14
10 KOSPI	2577.27	2593.94	2646.01	2585.60	2626.87	1.92
* Weekly computed data						

## Forex Market

US dollar weakened against the major currencies due to mounting of government debt and widening fiscal deficit. The market inevitable looked for more positive data since the trade tension de-escalation between US and China had set the recovery tone of sentiments but market lacked more positive data to capture the imagination of bulls. The Moody's down grade at the end of the week also further confirmed the weakness of the economy but it is too early to predict a recession. The economic uncertainty in Euro region due to the trade tension had resulted in the downgrade of growth of economy to 0.9 by European commission also influenced euro traders sentiments. The safe haven appeal of JPY and CHF currency continued to influence the traders trading sentiments

Currencies Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 EUR/USD	1.1255	1.1230	1.1265	1.1075	1.1164	-0.81
2 USD/JPY	145.4290	145.8120	148.5820	144.9320	145.6300	0.14
3 GBP/USD	1.3300	1.3285	1.3361	1.3142	1.3282	-0.14
4 AUD/USD	0.6417	0.6420	0.6501	0.6362	0.6420	0.05
5 USD/CAD	1.3940	1.3924	1.4015	1.3903	1.3968	0.20
6 USD/MXN	19.4355	19.4416	19.6630	19.2917	19.4575	0.11
7 USD/CNY	7.2252	7.2363	7.2363	7.2018	7.2065	-0.26
8 USD/SGD	1.2976	1.2977	1.3085	1.2939	1.3003	0.21
9 USD/INR	85.4010	85.4083	85.7312	83.7124	85.5889	0.22
10 USD/HKD	7.7787	7.7771	7.8149	7.7771	7.8136	0.45
* Weekly computed data						

## Commodities Market

Mixed sentiments reflected in gold spot after the initial dip early day of the week prices bounce backed at the end the week. The ease of trade tension between US and China resulted in the depletion of safe haven appeal of gold which resulting in selling mood in the early days of the week but it was short lived when moody downgrade of credit rating inflated the anxiety of investors and market regained some of its lost ground at the end of the week. Silver showed more range bound movements for week but bearish mood gained most of the attention throughout the week. After the prolonged selling in crude oil markets showed some tendency to bounce back. Recovery movement that gained attention from last week continued in the counter with mild bearish neutral movement but keeping the price above last week average. Uncertainty in Iran and Us nuclear deals and expectation of increased consumption due to the de-escalation of trade tension influenced the market movements of crude oil. High volatility witnessed in natural gas marked 12 percent decline in prices mainly due the increased storage of commodity as per EIA reports. Lack of short-term demand and drop in LNG exports also weighed on the sentiments. The glut in

production influenced the momentum of copper price movements and price showed marginal decline registering 1.21 percent decline in prices for the week.

Commodities Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 Brent Crude Oil (USD/Bbl)	63.910	66.010	66.800	64.040	65.410	2.35
2 Crude Oil WTI (USD/Bbl)	61.020	63.170	63.900	61.120	62.490	2.41
3 Natural Gas (USD/MMBtu)	3.7950	3.6680	3.7000	3.3050	3.3340	-12.15
4 Gold Spot (USD/t.oz)	3324.3	3287.50	3289.80	3120.60	3203.80	-3.62
5 Silver(USD/t.oz)	32.7130	32.6430	33.2300	31.6470	32.2740	-1.34
6 Copper (USD/Lbs)	4.6066	4.6575	4.6963	4.5305	4.5511	-1.20
7 Steel Rebar (CNY/T)	3049.00	3054.00	3152.00	3044.00	3105.00	1.84
8 Aluminium (USD/T)	2421.10	2445.30	2543.80	2445.30	2479.90	2.43
9 Wheat (USD/Bu)	521.75	522.00	533.25	506.50	524.75	0.57
10 Soyabean	1051.8	1068.30	1079.30	1046.00	1050.00	-0.17
* Weekly computed data						

### Disclaimer

The views are expressed for the purpose of study only and not an advice to any traders or investors in the market. Trading/investing in Financial markets involves considerable risk and you may lose part or all of the initial investment. It is not ideal for all types of investors, and you are advised to seek professional assistance before the same. Past performance may not necessarily be repeated in the future. The news and views posted on this report are based on information, which are believed to be accurate. The author cannot be held responsible for the accuracy of the content posted on this report or for decisions taken by the readers based on such information.

### References