

MARKETS: Fed hike delayed – Positive for markets**17th Mar, 2016**

US Fed delayed its decision to hike interest rates mentioning that US economy is not robust enough and inflation has not picked up as expected.

It is definitely positive for India as a rate hike means a stronger dollar and a weak rupee. But Fed has indicated that it may hike rates by total 50 basis points in next one year. So in the long run the threat of rate hike will remain in place for India even if it has strong forex reserves to defend rupee.

In the short run, markets have taken it positively and if Nifty sustains above 7500, it may rise up to 7800. Though the RBI's policy decision on 5th may have a major impact on markets.

Investors should take a cautious stance on equities.

Disclaimer:

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