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Daily Forex Insight

KEY HEADLINES:

- The US dollar has started to breakout against the Japanese yen currency following a confirmed move above the 104.50 resistance level. Technical analysis highlights that a bullish breakout has taken place from a falling price channel, following months of trading action inside the pattern. If the move higher continues to gain upside momentum then the USDJPY pair could explode higher. The USDJPY pair is only bullish while trading above the 104.30 level, key resistance is found at the 105.00 and 105.50 levels.
- China's economy recovery continued in January but at a slower pace, as the resurgence of coronavirus in parts of the country took a toll on business sentiment, led by a sharp drop in service sector morale The official manufacturing purchasing managers' index (PMI) – a survey of sentiment among factory owners in the world's second-largest economy – fell to 51.3 last month from 51.9 in December, according to the National Bureau of Statistics (NBS). December's reading was below the median prediction of a poll of analysts conducted by Bloomberg, which expected a small drop to 51.5.
- The ranks of U.S. retail investors have sky-rocketed in the past year as online platforms have proliferated and fees have disappeared while the pandemic has left people stuck at home with extra savings and few places to put it to use profitably. But how big is the surge in retail trading? Analysts and executives say it is difficult to peg an exact figure, but here are some numbers to put it in perspective: 25%+: The percentage of overall market trades made by retail investors in July and August 2020, according to Virtu Financial, one of the world's largest retail market makers.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Final Manufacturing PMI	EUR	54.7	54.7	MEDIUM
Final Manufacturing PMI	GBP	52.9	52.9	MEDIUM
Final Manufacturing PMI	USD	59.1	59.1	MEDIUM
ISM Manufacturing PMI	USD	60.0	60.7	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.16	73.00	72.70	73.30	73.60	BEARISH
EURINR FUTURE	88.77	88.55	88.15	88.95	89.40	Sideways
GBPINR FUTURE	100.14	99.90	99.40	100.40	100.90	Sideways
JPYINR FUTURE	69.87	69.70	69.30	70.10	70.50	BEARISH

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