

## KEY HEADLINES:

- Measures to control the spread of the coronavirus are hitting world trade. China's factories remain closed and airlines are cancelling passenger flights to and from China. Although most cargo flights are continuing operations for now, more than half of air freight is shipped via passenger aircraft and therefore dependent on these flights departing. Worldwide air freight has a value of \$6 trillion, accounting for a third of world trade. At Schiphol Airport, one of the major European freight hubs, 17% of incoming freight originates from China.
- Last Friday's session, on the 31 January 2020, was the official date for Brexit. The pound got some gains against most of the other major currencies, as international markets waited 4 years for this date. The share of the GBP/USD rebound was to rise to the 1.3208 resistance, its highest level in nearly a month, and is stable around 1.3160 at the time of writing. As we mentioned before, we now confirm that the gains of the British Pound may soon evaporate during the months of the transitional period, during which there will be negotiations between the two sides of Brexit on the future of trade relations between them, knowing that dispute is a feature of negotiations between them.
- Markets in mainland China plunged early Monday, on their first day of trading since an extended Lunar New Year holiday that coincided with the rapid spread of the coronavirus outbreak. Global markets have fallen in recent weeks and China had braced itself for steep losses, with the People's Bank of China announcing Sunday it would inject about \$173 billion into the economy to cushion the expected blow, along with other measures to stabilize the economy. The Shanghai Composite SHCOMP, +0.06% initially plummeted nearly 9%, as did the smaller-cap Shenzhen Composite 399106, +0.27% , though both recovered slightly as trading went on. Mainland Chinese equity markets had been closed since Jan. 24.
- The dollar held firm on Tuesday after a key U.S. manufacturing survey showed a surprise recovery, while concerns about a widening coronavirus outbreak in China kept the yuan and the Australian dollar subdued. The dollar index rose 0.44% on Monday, the biggest gain so far this year, and last stood at 97.802. It was boosted by a report from the Institute for Supply Management (ISM) reported that U.S. factory activity unexpectedly rebounded in January after contracting for five straight months amid a surge in new orders.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Spanish Unemployment Change	EUR	44.2K	-34.6K	MEDIUM
Construction PMI	GBP	48.1	44.4	MEDIUM
PPI m/m	EUR	0.1%	0.2%	MEDIUM
Factory Orders m/m	USD	0.7%	-0.7%	MEDIUM

### **Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.52	71.35	71.20	71.75	71.90	Sideways
EURINR FUTURE	79.22	79.00	78.85	79.35	79.45	BEARISH
GBPINR FUTURE	93.48	93.25	93.00	93.65	93.85	BEARISH
JPYINR FUTURE	65.97	65.80	65.60	66.15	66.30	Sideways

#### **RESEARCH BONANZA FOREIGN CURRENCY SEGMENT**

##### **Disclosure:**

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

##### **Disclaimer:**

This research report has been published by Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be

relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of Bonanza portfolio Ltd shall be liable. Research report may differ between Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the subject company or third party in connection with the research report

*Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>*

*SEBI Regn. No.: INZ000212137*

*BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836*

*| CDSL: a) 120 33500 |*

*NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186*

*2018 © [Bonanza Portfolio Ltd.](https://www.bonanzaonline.com)*