

## KEY HEADLINES:

- U.S. President Donald Trump said on Friday raising tariffs on China is “certainly an option” as he considers ways to retaliate for the spread of the coronavirus out of Wuhan, China. “A lot of things are happening with respect to China. We’re not happy, obviously with what happened. This is a bad situation — all over the world, 183 countries. But we’ll be having a lot to say about that. It’s certainly an option. It’s certainly an option,” Trump told reporters.
- EURJPY is currently stuck around the 117.24 level, that being the 50.0% Fibonacci retracement of the down leg from 119.03 to the 3-year low of 115.44. The pause trails a pivot at the 200-period simple moving average (SMA) after the recent aggressive thrust upwards from the 115.44 low overran the 50-and 100-period SMAs. Looking at the short-term oscillators, the MACD, in the positive region is increasing above its red trigger line, while the RSI and stochastics back the bigger prevailing negative bearing of the SMAs.
- From an initial \$75 billion per day when the Fed announced the launch of Unlimited QE in March, the US central bank first reduced its daily buying to \$60 billion per day, then four weeks ago announced another 'taper' in its bond-buying program to \$50 billion per day, which was followed by a reduction to 30 billion per day, which was then again cut in half to \$15 billion per day. Then, last week the Fed again slashed its daily POMO by another 33%, to \$10BN per day, and now in its latest schedule, the Fed unveiled that in the coming week it would purchase "only" \$8BN per day.

## Economic Indicators to be released.

| Indicator                      | Currency | Forecast | Previous | Impact |
|--------------------------------|----------|----------|----------|--------|
| Spanish Manufacturing PMI      | EUR      | 35.0     | 45.7     | MEDIUM |
| Italian Manufacturing PMI      | EUR      | 30.3     | 40.3     | MEDIUM |
| French Final Manufacturing PMI | EUR      | 31.5     | 31.5     | MEDIUM |
| German Final Manufacturing PMI | EUR      | 34.4     | 34.4     | MEDIUM |
| Final Manufacturing PMI        | EUR      | 33.6     | 33.6     | MEDIUM |
| Sentix Investor Confidence     | EUR      | -25.9    | -42.9    | MEDIUM |
| Factory Orders m/m             | USD      | -9.2%    | 0.0%     | MEDIUM |
|                                |          |          |          |        |

### Support Resistance Levels – Currency Future:

| Currency         | LTP   | S1    | S2    | R1    | R2    | Trend   |
|------------------|-------|-------|-------|-------|-------|---------|
| USDINR<br>FUTURE | 75.27 | 75.10 | 74.80 | 75.42 | 75.70 | BULLISH |
| EURINR<br>FUTURE | 81.84 | 81.60 | 81.10 | 82.10 | 82.60 | BULLISH |
| GBPINR<br>FUTURE | 94.09 | 93.80 | 93.30 | 94.40 | 95.00 | BULLISH |
| JPYINR<br>FUTURE | 70.60 | 70.45 | 70.15 | 70.75 | 71.05 | BULLISH |

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FOREIGN CURRENCY SEGMENT

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