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Daily Forex Insight

KEY HEADLINES:

- Worldwide growth plunged by a record extent in February, the pace of expansion slowing to the weakest since May 2009, according to the latest PMI surveys. The deterioration was predominantly linked to the coronavirus outbreak and led by a survey-record slump in activity in China. Growth across the rest of the world meanwhile came close to stalling, registering the weakest expansion since September 2012. Steep downturns were also seen in Japan and Hong Kong SAR and to a lesser extent in the US. Greater resilience was seen in the UK and eurozone.
- USDCNH is plunging for the ninth consecutive day after the pullback on the 7.0561 resistance, breaching the 23.6% Fibonacci retracement level of 6.9624 of the down leg from 7.1944 to 6.8433 today. The price is also registering a six-week low of 6.9159 within the Ichimoku cloud. Technical indicators are moving south with the RSI approaching its 30 oversold mark and the MACD dropping below its zero level, while the red Tenkan-sen is preparing to cross below the blue Kijun-sen line. If the market closes successfully below the 23.6% Fibonacci of 7.0561 the spotlight could turn to the one-year low of 6.8433.
- A report by the Federal Reserve released on Wednesday will provide the first snapshot from the central bank's business contacts on how deeply the coronavirus is impacting their supply chains and economic outlook and may provide some insight into the urgency that caused policymakers to cut interest rates. The Fed lowered borrowing costs by a half percentage point on Tuesday in an emergency move to mitigate the possible economic effects of the flu-like illness on the world's largest economy, as it kept the door open to further measures should they be required.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
OPEC Meetings				HIGH
Unemployment Claims	USD	215K	219K	MEDIUM
Natural Gas Storage	USD	-112B	-143B	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.52	73.40	73.30	73.65	73.75	Sideways
EURINR FUTURE	81.97	81.85	81.70	82.15	82.30	Sideways
GBPINR FUTURE	93.95	93.80	93.50	94.15	94.45	Sideways
JPYINR FUTURE	68.39	68.25	68.15	68.50	68.60	SIdeways

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