

## KEY HEADLINES:

- Crude oil prices surged and U.S. stock market futures tumbled late Tuesday after Iran fired multiple missiles at air bases in Iraq housing U.S. troops, raising fears of a wider Middle East conflict. But electronic markets pared those losses as overnight trading continued, likely lessening the blow when the trading day starts Wednesday. Iranian state TV described the attack as a revenge operation over the killing of Revolutionary Guard Gen. Qassem Soleimani by a U.S. airstrike last week. U.S. officials confirmed missile strikes at two bases in Iraq, but a U.S. official said there were no immediate reports of American casualties. The attacks — and the potential of U.S. retaliation — raise the possibility of oil supply disruptions, as well as the possibility of violence spreading around the already tumultuous region.
- The U.S. trade deficit fell to a more than three-year low in November as imports declined further, likely weighed down by the Trump administration's trade war with China, and exports rebounded, suggesting the economy ended 2019 on solid footing. The Commerce Department said on Tuesday the trade deficit decreased 8.2% to \$43.1 billion, the smallest since October 2016. The percentage drop was the largest since January. The trade deficit has narrowed 0.7% through November and is on track to record its first annual decline since 2013. While the shrinking trade bill should provide a boost to gross domestic product in the fourth quarter, falling consumer goods imports also suggest a cooling in domestic demand. Data for October was revised to show the trade gap declining to \$46.9 billion instead of the previously reported \$47.2 billion. Economists polled by Reuters had forecast the trade gap narrowing to \$43.8 billion in November.
- GBPUSD looks to be undecided with its recent lower highs and higher lows. That said, buyers are attempting to drive the pair back up in efforts to realign with the bigger positive outlook. The short-term oscillators suggest a stall in directional momentum but lean towards the positive picture. The MACD, in the positive zone is marginally above its red trigger line, while the RSI is rising, slightly above its neutral mark. Noteworthy, are the upward sloping simple moving averages (SMAs) and the recent bullish crossover of the 200-day SMA by the 100-day one, which are backing a positive view.

## Economic Indicators to be released.

| Indicator                      | Currency | Forecast | Previous | Impact |
|--------------------------------|----------|----------|----------|--------|
| Consumer Confidence            | JPY      | 39.6     | 38.7     | MEDIUM |
| German Factory Orders m/m      | EUR      | 0.2%     | -0.4%    | MEDIUM |
| ADP Non-Farm Employment Change | USD      | 160K     | 67K      | HIGH   |
| Crude Oil Inventories          | USD      | -3.4M    | -11.5M   | HIGH   |
|                                |          |          |          |        |
|                                |          |          |          |        |

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

| Currency      | LTP   | S1    | S2    | R1    | R2    | Trend   |
|---------------|-------|-------|-------|-------|-------|---------|
| USDINR FUTURE | 71.95 | 71.85 | 71.75 | 72.10 | 72.20 | BULLISH |
| EURINR FUTURE | 80.50 | 80.30 | 80.15 | 80.70 | 80.90 | BULLISH |
| GBPINR FUTURE | 94.70 | 94.55 | 94.40 | 94.90 | 95.10 | BULLISH |
| JPYINR FUTURE | 66.42 | 66.30 | 66.20 | 66.60 | 66.75 | BULLISH |

#### **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)*