

KEY HEADLINES:

- Escalating tensions between US and China on who is responsible for the outbreak of COVID-19 will not just push the Chinese yuan lower, but could also spark a major devaluation across numerous major currencies, analysts warn. The US dollar to yuan exchange rate has fallen about 0.5% since end of April when US President Donald Trump said there was a "high degree of confidence" that the virus originated from the Wuhan Institute of Virology. Trump has signaled that one way to punish China for its handling of the outbreak could be to implement additional tariffs.
- EURGBP today was denied once again further appreciation above the ceiling of the range (0.8864), which has limited advances since April 6. The price reversed ahead of the upper boundary and seems to be building some negative momentum inside the sideways market, something also reflected within the technical indicators. The MACD, in the positive section, is weakening above its red trigger line while the RSI is declining after a deflection off the 70 level. Moreover, the stochastics are falling after completing a bearish crossover in overbought territory.
- Prime Minister Scott Morrison says the loss of nearly 600,000 jobs in April is "devastating" for Australian families and communities affected by government restrictions and business shutdowns. The comments come after the Australian Bureau of Statistics (ABS) announced the unemployment rate rose from 5.2 per cent in March to 6.2 per cent in April. "Almost 600,000 jobs have been lost, every one of them devastating for those Australians, for their families and communities," the Prime Minister said. "A very tough day, terribly shocking, although not unanticipated."

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Final CPI m/m	EUR	0.3%	0.3%	MEDIUM
German WPI m/m	EUR	-0.3%	-0.4%	MEDIUM
Unemployment Claims	USD	2500K	3169K	HIGH
Natural Gas Storage	USD	107B	109B	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.39	75.20	74.90	75.60	75.90	BULLISH
EURINR FUTURE	81.88	81.70	81.30	82.10	82.50	Sideways
GBPINR FUTURE	92.73	92.50	92.00	93.00	93.50	Sideways
JPYINR FUTURE	70.46	70.20	69.90	70.65	71.00	BULLISH

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Disclosure:

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