

## KEY HEADLINES:

- Reaction to the renewed concerns of the scope of the Coronavirus (or COVID-19 which is the World Health Organisation’s new official name) drove a knee-jerk reaction back into safety on financial markets yesterday. However, the move seems to have been short-lived. Initial moves were broadly retraced into the close and there is a sense that the dust is quickly settling this morning. Bond yields have rebounded, the Chinese yuan recovered, whilst there was a notable degree of support for oil.
- The outbreak of the Wuhan Coronavirus has rattled financial markets across the globe, although much is unknown as to whether the outbreak will expand to a pandemic and what the size of the impact will be. In order to gauge the potential impact of coronavirus, this article will compare previous virus outbreaks and trends across the S&P 500, major commodities and currencies. With that said, we are cognizant to the fact that China is more connected to the global economy, contributing a growing proportion to world GDP (~20%) compared to 2002-03 (~5%) when SARS broke out.
- The impulsive structure seen on the British Pound suggests further upside as part of minor wave 1. With the corrective ‘three’ fully completed on a false break below minor A low, this projection assumes that the upside is a 2-degree impulse. It is consisting of 5-wave structures of the minuette and minute degree and has a target the 100% Fibonacci extension near 1.3193. Should the current correction towards 1.30 prove to be a test, we could see minor wave 1 as a reversal to the upside. The end of the minor degree impulse could end beyond 1.3515 as part of the intermediate wave (5).
- U.S. retail sales rose in January for a fourth straight month as cheaper prices at the gas pump encouraged Americans to spend on other goods, underscoring steady consumer spending. The value of overall sales climbed 0.3% after a downwardly revised 0.2% increase the prior month, Commerce Department figures showed Friday. Excluding receipts at filling stations, retail purchases increased 0.3%, the most in five months. Steady demand at retailers indicates the consumer remains the economy’s key fuel source. Resilient hiring and wage growth are helping to boost both sentiment and spending.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Revised Industrial Production m/m	JPY	1.3%	1.3%	MEDIUM

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.42	71.30	71.20	71.55	71.65	Sideways
EURINR FUTURE	77.52	77.30	77.15	77.75	77.90	BULLISH
GBPINR FUTURE	93.14	93.00	92.85	93.35	93.60	BULLISH
JPYINR FUTURE	65.10	65.00	64.90	65.25	65.40	Sideways

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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*SEBI Regn. No.: INZ000212137*

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