

KEY HEADLINES:

- The Bank of Japan is set to keep monetary policy steady on Thursday and stress its readiness to work closely with the new government led by Yoshihide Suga, who has vowed to do whatever it takes to ease the economic blow from the coronavirus. The BOJ board may also debate how the Federal Reserve's recent shift towards a policy focusing more on jobs, which heightens the chance U.S. interest rates will stay low for a prolonged period, could affect markets.
- The USDJPY broke a significant pattern at the end of July. Significant is probably an understatement. I've discussed this monthly wedge pattern since May, maybe earlier. Notice how USDJPY has held below the 106.00 area on a monthly closing basis since July. I've liked the idea of a lower USDJPY since then. However, the tricky part was timing a short entry. While you could've looked for entries at swing highs, an alternative was to watch for a breakdown of the March trend line. I mentioned this idea on September 7th. As you can see from the daily chart below, USDJPY is about to break the March trend line.
- The Federal Reserve concluded its two-day policy meeting—the last one before the November election—on Wednesday by pledging to keep interest rates near zero until 2023, as the central bank looks to continue to support the U.S. economic recovery out of the coronavirus recession. In a widely expected move, the Fed kept short-term interest rates steady at the 0% to 0.25% range on Wednesday. The central bank also signaled that it would keep rates anchored near zero through at least 2023, with all but four members of the Fed board agreeing with the long-term outlook.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Official Bank Rate	GBP	0.10%	0.10%	MEDIUM
Philly Fed Manufacturing Index	USD	15.0	17.2	MEDIUM
Unemployment Claims	USD	825K	884K	MEDIUM
Building Permits	USD	1.51M	1.50M	MEDIUM
Housing Starts	USD	1.47M	1.50M	MEDIUM
Natural Gas Storage	USD	76B	70B	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.63	73.50	73.20	73.80	74.10	Sideways
EURINR FUTURE	87.40	87.20	86.80	87.60	88.00	BEARISH
GBPINR FUTURE	95.49	95.25	94.75	95.75	96.25	BEARISH
JPYINR FUTURE	70.09	69.90	69.50	70.30	70.70	Sideways

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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