

## KEY HEADLINES:

- The coronavirus is spreading rapidly, and as China moves aggressively to quarantine cities and contain the spread of the virus, markets are worried. The first symptoms of the coronavirus appeared around December 8, 2019 in Wuhan, China. The first case showed up at the local hospital on December 31, 2019. Then, the reported cases grew exponentially to thousands by the week of January 20, 2020. The virus is most deadly for the elderly. Figure 1 shows how the virus spread in Wuhan, China.
- US dollar has turned heavily bearish against the Japanese yen currency, following a break under the technically important 109.00 support level. Risk-off trading sentiment is also worsening today, due to the spread of the coronavirus in China. The USDJPY pair is now vulnerable to a sharp decline towards the 108.40 level while trading below the key 109.00 support level. The USDJPY pair is only bearish while trading below the 109.70 level, key support is found at the 109.00 and 108.40 levels. The USDJPY pair is only bullish while trading above the 109.70 level, key resistance is found at the 110.20 and 111.00 levels
- A Taliban spokesman and Afghan journalist affiliated with the militant group say that a U.S. military aircraft crashed in eastern Afghanistan on Monday. Tariq Ghazniwal, a journalist in the area, said that he saw the burning aircraft. In an exchange on Twitter, he told The Associated Press that he saw two bodies and the front of the aircraft was badly burned. He added that aircraft's body and tail was hardly damaged. His information could not be independently verified. Taliban spokesman Zabihullah Mujahid said a U.S. airforce plane crashed in the Ghazni province.
- Investors worldwide have been spooked by the rapid spread of the Chinese coronavirus, with stock markets around the globe sharply lower on Monday. The death toll rose to 80 as of the end of Sunday, according to Chinese officials, with more than 2,700 people now infected. A fifth case in the U.S. has now been confirmed and the virus has been detected in Singapore, South Korea, Australia, Canada, France, Japan, Malaysia and Vietnam. The pan-European Stoxx 600 fell 1.7% early in the trading session, while in the U.S., Dow futures indicated a plunge of almost 400 points at the open on Wall Street.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
BOJ Core CPI y/y	JPY	0.2%	0.2%	MEDIUM
Trade Balance	CHF	3.14B	3.92B	MEDIUM
Spanish Unemployment Rate	EUR	14.0%	13.9%	MEDIUM
Core Durables Goods Orders m/m	USD	0.4%	-0.1%	MEDIUM
CB Consumer Confidence	USD	128.2	126.5	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.45	71.35	71.25	71.55	71.65	Sideways
EURINR FUTURE	78.81	78.60	78.45	79.00	79.20	BEARISH
GBPINR FUTURE	93.53	93.30	93.10	93.75	93.90	BEARISH
JPYINR FUTURE	65.63	65.50	65.40	65.75	65.85	Sideways

#### **RESEARCH BONANZA FOREIGN CURRENCY SEGMENT**

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