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Daily Forex Insight

KEY HEADLINES:

- Lasting fallout in the US labor market will keep the unemployment rate higher than in peer countries for more than a year, Goldman Sachs economists said in a Tuesday note. The bank expects the US unemployment rate to reach 12% by the end of the year before sliding to 8% alongside Canada by the end of 2021. The UK, Japan, Germany, and Australia will enjoy a far less pronounced labor-market hit, Goldman said, and end next year with their rates well below 8%. The US sits in a joblessness crisis partially stoked by policy side effects, according to the bank.
- The USDCHF currency pair bounced off a major 3-month trendline support at 0.9650 on Tuesday. At the said level, there also lays the regression medium-term trendline of the descending channel starting Apr 24. With the RSI (9) indicating more downside, we can expect a breakout of the 0.9650 level. This is likely to trigger an intermediate decline towards 0.96 and even lower in the medium/long-term. Before breaking the descending channel, however, we could see prices retracing higher. The signal is supported by the short-term RSI (9).
- The European Union has a habit of disappointing when trying to design a joint response to an economic crisis. However, Ursula von der Leyen's speech at the European Parliament on Wednesday about a pandemic recovery fund could well be one for the history books. The Commission president outlined a 750 billion-euro ($825 billion) rescue program to help the bloc cope with the fallout from Covid-19. EU governments still have to agree to the plan, and some northern member states — especially the Netherlands and Austria — are likely opponents.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Prelim GDP q/q	USD	-4.8%	-4.8%	HIGH
Core Durable Goods Orders m/m	USD	-14.2%	-0.4%	HIGH
Durable Goods Orders m/m	USD	-17.9%	-14.7%	HIGH
Unemployment Claims	USD		2438K	HIGH
Pending Home Sales m/m	USD	-15.0%	-20.8%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.88	75.70	75.40	76.10	76.40	BULLISH
EURINR FUTURE	83.60	83.30	80.70	83.90	84.50	BULLISH
GBPINR FUTURE	93.49	93.25	92.70	93.75	94.30	BULLISH
JPYINR FUTURE	70.40	70.20	69.90	70.60	71.00	BULISH

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