

DATE: 01-02-2021

KEY HEADLINE

- The US dollar has started to breakout against the Japanese yen currency following a confirmed move above the 104.50 resistance level. Technical analysis highlights that a bullish breakout has taken place from a falling price channel, following months of trading action inside the pattern. If the move higher continues to gain upside momentum then the USDJPY pair could explode higher. The USDJPY pair is only bullish while trading above the 104.30 level, key resistance is found at the 105.00 and 105.50 levels.
- China's economy recovery continued in January but at a slower pace, as the resurgence of coronavirus in parts of the country took a toll on business sentiment, led by a sharp drop in service sector morale. The official manufacturing purchasing managers' index (PMI) – a survey of sentiment among factory owners in the world's second-largest economy – fell to 51.3 last month from 51.9 in December, according to the National Bureau of Statistics (NBS). December's reading was below the median prediction of a poll of analysts conducted by Bloomberg, which expected a small drop to 51.5.
- The ranks of U.S. retail investors have sky-rocketed in the past year as online platforms have proliferated and fees have disappeared while the pandemic has left people stuck at home with extra savings and few places to put it to use profitably. But how big is the surge in retail trading? Analysts and executives say it is difficult to peg an exact figure, but here are some numbers to put it in perspective: 25%+: The percentage of overall market trades made by retail investors in July and August 2020, according to Virtu Financial, one of the world's largest retail market makers.
- This Thursday the Bank of England will announce its latest monetary policy decision and release its quarterly MPC report. The BoE is expected to leave all policy measures untouched, but the quarterly report should be monitored closely for the latest look at the health of the UK economy. The central bank may also update the market on how they perceive negative interest rates and if there is any reason to use them in the months ahead. The MPC will also give its latest views on inflation and how covid-19 is affecting the UK economy.

Currency pair

Currencies	29/01/2021	22/01/2021	Change (%)
USDINR	73.16	72.96	0.27
EURINR	88.77	88.84	-0.08
GBPINR	100.14	99.71	0.43
JPYINR	69.87	70.39	-0.74

USDINR



Technical Outlook–

- On the Weekly Chart, it indicates a small green candle.
- Indicator RSI (14) will remain near 30-50 level on Weekly Chart.
- The near term trend shows Bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
73.16	72.40	71.70	74.00	74.70

RECOMMENDATION: SELL USDINR @ 73.20 SL 74.00 TARGET 71.70

EURINR



Technical Outlook–

- On the Weekly Chart, a small red candle is seen.
- Indicator RSI (14) will move near 50 Level.
- The near term trend shows a support near 88 levels.

Support-Resistance

LTP	S1	S2	R1	R2
88.77	87.75	86.50	89.75	91.00

RECOMMENDATION: BUY EURINR @ 89.50 SL 88.75 TARGET 91.00
SELL EURINR @ 88.00 SL 88.75 TARGET 86.50

GBPINR



Technical Outlook–

- On the Weekly chart, a small green candle is formed.
- The momentum oscillator RSI (14) will remain between 50 to 70 level.
- The near term trend shows Consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
100.14	98.75	97.50	101.25	102.50

RECOMMENDATION: BUY GBPINR @ 100.50 SL 99.50 TARGET 102.50
SELL GBPINR @ 99.50 SL 100.50 TARGET 97.50

JPYINR



Technical Outlook–

- On the Weekly chart, a rectangle formation is seen.
- The momentum oscillator RSI (14) will move below 50 levels.
- The near term trend shows bearish signs

Support-Resistance

LTP	S1	S2	R1	R2
69.87	69.10	68.40	70.70	71.50

RECOMMENDATION: SELL JPYINR @ 70.00 SL 70.70 TARGET 68.40

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
01/02/2021	GBP	Final Manufacturing PMI	52.9	52.9
01/02/2021	USD	ISM Manufacturing PMI	60.0	60.7
03/02/2021	GBP	Final Services PMI	38.8	38.8
03/02/2021	USD	ADP Non-Farm Employment Change	50K	-123K
03/02/2021	USD	ISM Services PMI	56.7	57.2
04/02/2021	GBP	Official Bank Rate	0.10%	0.10%
04/02/2021	USD	Unemployment Claims	850K	847K
05/02/2021	USD	Average Hourly Earnings m/m	0.3%	0.8%
05/02/2021	USD	Non-Farm Employment Change	55K	-140K
05/02/2021	USD	Unemployment Rate	6.7%	6.7%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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