

DATE: 02-11-2020

## KEY HEADLINE

- China's factory activity expanded at a slightly slower pace in October but beat analysts' expectations, suggesting a continuing economic recovery as the country rebounds from the coronavirus shock. The official manufacturing Purchasing Manager's Index (PMI) fell to 51.4 in October from 51.5 in September, data from the National Bureau of Statistics showed on Saturday, remaining above the 50-point mark that separates growth from contraction. Analysts had expected it to fall to 51.3 but said a broader recovery still appeared well on track.
- Today is the last trading day in October, and the US Dollar has been bought over the last few day into month end, which may conclude after the London fix (11:00am ET). What happens then? Will the US Dollar reverse and continue with its longer-term decline when November starts? Heading into the trading day, the DXY has broken out of the top of a descending triangle. This is not typical of this type of formation. Traders will have to be alert that this could be a false breakout and may head back down towards the downward sloping trendline, which will be first support near 93.25, then the recent lows near 92.50.
- With inflation still elusive and a host of questions surrounding an economy that just set a single-quarter record for growth, the Federal Reserve faces a choice of whether to wait for conditions to unfold further, or act now to provide some extra help. Most market participants expect the Federal Open Market Committee to sit on its hands when it holds its policy meeting Wednesday and Thursday. However, officials are expected to discuss the policy options open to them at this point, and with so much uncertainty surrounding the current situation it wouldn't be that big of a surprise to see them make some kind of move.
- Stocks fell on Friday, led by major tech shares, as Wall Street wrapped up a difficult week in which coronavirus cases rose, U.S. fiscal stimulus talks broke down and traders braced for next week's presidential election. The Dow Jones Industrial Average closed 157.51 points lower, or 0.6%, at 26,501.60. At one point, the Dow was down more than 500 points. The S&P 500 dropped 1.2% to 3,269.96 and the Nasdaq Composite pulled back 2.5% to 10,911.59. The Dow and S&P 500 fell 6.5% and 5.6%, respectively, and posted their biggest weekly losses since March.

## Currency pair

Currencies	30/10/2020	23/10/2020	Change (%)
USDINR	74.60	73.65	<b>1.29</b>
EURINR	87.41	87.22	<b>0.22</b>
GBPINR	96.76	96.23	<b>0.55</b>
JPYINR	71.63	70.30	<b>1.89</b>

# USDINR



## Technical Outlook–

- On the Weekly Chart, USDINR indicates a rising channel.
- Indicator RSI (14) will move above 50 on Weekly Chart.
- The near term trend shows Bullish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
74.60	73.80	73.00	75.30	76.00

**RECOMMENDATION: BUY USDINR @ 75.00 SL 74.50 TARGET 76.00**  
**SELL USDINR @ 74.00 SL 74.50 TARGET 73.00**

# EURINR



## Technical Outlook–

- On the Weekly Chart, a Rising Channel is seen.
- Indicator RSI (14) will move above 50 Level.
- The near term trend shows Bullish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
<b>87.41</b>	<b>86.50</b>	<b>85.25</b>	<b>88.50</b>	<b>89.75</b>

**RECOMMENDATION: BUY EURINR @ 87.50 SL 86.50 TARGET 89.50**

# GBPINR



## Technical Outlook–

- On the Weekly chart, a large green candle is seen.
- The momentum oscillator RSI (14) will move above 50 level.
- The near term trend shows Bullish Signals.

## Support-Resistance

LTP	S1	S2	R1	R2
<b>96.76</b>	<b>95.50</b>	<b>94.25</b>	<b>98.00</b>	<b>99.25</b>

**RECOMMENDATION: BUY GBPINR @ 97.25 SL 96.25 TARGET 99.25**  
**SELL GBPINR @ 94.25 SL 97.25 TARGET 94.25**

# JPYINR



## Technical Outlook–

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

## Support-Resistance

LTP	S1	S2	R1	R2
<b>71.63</b>	<b>70.80</b>	<b>70.00</b>	<b>72.30</b>	<b>73.00</b>

**RECOMMENDATION: BUY JPYINR @ 72.00 SL 71.50 TARGET 73.00**

**SELL JPYINR @ 71.00 SL 71.50 TARGET 70.00**

## Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
02/11/2020	GBP	Final Manufacturing PMI	53.3	53.3
02/11/2020	USD	ISM Manufacturing PMI	55.6	55.4
03/11/2020	USD	Presidential Election		
04/11/2020	USD	ADP Non-Farm Employment Change	690K	749K
04/11/2020	USD	ISM Services PMI	57.4	57.8
05/11/2020	GBP	Official Bank Rate	0.10%	0.10%
05/11/2020	USD	Unemployment Claims	746K	751K
06/11/2020	USD	Federal Funds Rate	<0.25%	<0.25%
06/11/2020	USD	Average Hourly Earnings m/m	0.2%	0.1%
06/11/2020	USD	Non-Farm Employment Change	600K	661K
06/11/2020	USD	Unemployment Rate	7.7%	7.9%

**RESEARCH BONANZA**

**FOREIGN CURRENCY SEGMENT**

**OUTLOOK BY: Analyst Miss Priyanka Shrimankar**

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*Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>*

*SEBI Regn. No.: INZ000212137*

*BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836*

*| CDSL: a) 120 33500 |*

*NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186*

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