

DATE: 03-08-2020

KEY HEADLINE

- July was a very difficult month for the US dollar. The greenback sold off sharply against all of the major currencies hitting multi-month / multi-year lows in the process. In one month, it lost 6% of its value against sterling, 5% versus the euro and more than 4% against the Swiss Franc and Australian dollars. From rising coronavirus cases, falling yields, expiring stimulus benefits, domestic turmoil, an unpredictable President and political tensions with many countries around the world, investors had plenty of reasons to abandon the greenback.
- Chinese imports of agricultural goods surged in June as buyers stockpiled farm products to hedge against possible supply disruptions caused by deteriorating relations with the United States and fill gaps in domestic production, analysts said. By the end of the month, imports of grains – including wheat, barley, corn, rice, sorghum, and soybeans – had jumped 80.6 per cent from a year earlier, accelerating from the 32.4 per cent increase recorded in May and a sharp reversal from the decline of 6.4 per cent in April.
- The euro remains trapped between the 0.9000 and 0.9100 level against the British pound, as both currencies strengthen on the foreign exchange market. EUR/GBP technical analysis shows that a bullish reversal pattern is projecting more strength towards the 0.9200 level. The EUR/GBP pair continues to enjoy strong buying demand, as traders continue to buy any dips towards the 0.9000 support area. EUR/GBP analysis shows that the pair could start to trade towards the 0.9270 resistance level over the medium-term horizon.
- British Trade Minister Liz Truss will meet top U.S. officials in Washington next week to assess progress on reaching a free trade agreement between the two countries, the Financial Times reported on Saturday. Two sources told the newspaper Truss was expected to be in Washington from this weekend while a third source told the FT that she was expected to meet U.S. Trade Representative Robert Lighthizer on Monday and Tuesday. After leaving the European Union in January, Britain is keen to stand alone and has started a series of trade negotiations with other countries, with the United States seen as a priority.

Currency pair

Currencies	31/07/2020	24/07/2020	Change (%)
USDINR	75.01	74.85	0.21
EURINR	88.75	86.68	2.39
GBPINR	98.47	95.37	3.25
JPYINR	71.56	70.36	1.71

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates an Inverted Hammer candlestick pattern.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
75.01	74.25	73.50	75.75	76.50

RECOMMENDATION: BUY USDINR @ 75.50 SL 75.00 TARGET 76.50
SELL USDINR @ 75.00 SL 75.75 TARGET 73.50

EURINR



Technical Outlook–

- On the Weekly Chart, a large green candle is seen.
- Indicator RSI (14) will move near 70 Level.
- The near term trend shows bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
88.75	87.75	86.50	89.75	91.00

RECOMMENDATION: BUY EURINR @ 88.50 SL 87.50 TARGET 91.00

GBPINR



Technical Outlook–

- On the Weekly chart, a large green candle has been formed.
- The momentum oscillator RSI (14) will move near 70.
- The near term trend shows consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
98.47	97.25	96.00	99.75	101

RECOMMENDATION: BUY GBPINR @ 99.00 SL 98.00 TARGET 101.00
SELL GBPINR @ 98.00 SL 99.00 TARGET 96.00

JPYINR



Technical Outlook–

- On the Weekly chart, a small green candle is formed.
- The momentum oscillator RSI (14) will move above 50
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
71.56	70.75	70.00	72.25	73.00

RECOMMENDATION: BUY JPYINR @ 71.50 SL 70.75 TARGET 73.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
03/08/2020	USD	ISM Manufacturing PMI	53.6	52.6
05/08/2020	USD	ADP Non-Farm Employment Change	1200K	2369K
05/08/2020	USD	ISM Non-Manufacturing PMI	55.0	57.1
05/08/2020	USD	Crude Oil Inventories		-10.6M
06/08/2020	GBP	Official Bank Rate	0.10%	0.10%
06/08/2020	USD	Unemployment Claims	1450K	1434K
07/08/2020	USD	Average Hourly Earnings m/m	-0.5%	-1.2%
07/08/2020	USD	Non-Farm Employment Change	1510K	4800K
07/08/2020	USD	Unemployment Rate	10.5%	11.1%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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SEBI Regn. No.: INZ000212137

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