

DATE: 20-01-2020

KEY HEADLINE

- Election year historical data is a good base for identifying the range of outcomes for this year as 2020 is an election year. The data below shows the historical data, which may be relevant to how 2020 might shape up. Given the many unknowns in 2020 (impeachment, trade war truce, economy and the outcome of the election itself), this year is especially unpredictable. Let's examine the historical record of the markets in presidential election years. The S&P 500 has had a positive return in 19 of the last 23 election years since 1928 (graph A) or 83% of the time.
- GBP/USD bounced off support yesterday just prior to the BoE, and drove further higher in the wake of the meeting. The rally doesn't mean much so far, though, as price remains well contained within a developing wedge that is seen as leading a meaningful move soon. A break above 13173 could get the upside going, while a break below 12954 may perhaps be even more meaningful given how much support between there and the 13000-line we have seen this month. For now, patiently waiting for its cue.
- More Chinese provinces and municipalities have postponed business operations of enterprises in an effort to curb the spread of the novel coronavirus. In northeast China's Heilongjiang Province, the authorities have asked all kinds of local enterprises, except those in sectors such as utilities, medical appliances and drugs, supermarkets and food, not to resume their work before Feb. 10, the provincial authorities said in a notification on Thursday. The local government also urged companies to enhance efforts on prevention and control of the epidemic, including carrying out quarantine inspection, conducting ventilation and disinfection in buildings and allocating personal protection equipment for staff.
- Real gross domestic product (GDP) edged up 0.1% in November, offsetting most of the decline in October. Increases in 15 of 20 industrial sectors more than offset notable declines in the mining, quarrying and oil and gas extraction and transportation and warehousing sectors, influenced partly by disruptions in rail transportation service and crude oil pipeline transportation. Goods-producing industries edged up 0.1% after posting declines in September and October, while services-producing industries also edged up 0.1%. On a three-month rolling average basis, GDP was up 0.1%, down from a 0.2% increase in October.

Currency pair

Currencies	31/01/2020	24/01/2020	Change (%)
USDINR	71.56	71.34	0.31
EURINR	79.07	78.74	0.42
GBPINR	93.87	93.37	0.54
JPYINR	65.74	65.08	1.01

USDINR



Technical Outlook–

- On the Weekly Chart, An inverted hammer pattern is formed.
- Indicator RSI (14) will remain above 50 on Weekly Chart.
- 50EMA and 100EMA will be in bullish crossover.
- The near term trend shows bullish signals, going forwards it might move towards 72.00 and above.

Support-Resistance

LTP	S1	S2	R1	R2
71.56	70.75	70.00	72.25	73.00

EURINR



Technical Outlook–

- On the Weekly Chart, a small green candle is formed
- 50EMA and 100 EMA will be in Bullish Crossover
- The momentum oscillator RSI (14) will remain near 50 on weekly chart.
- The near term trend shows Consolidation; going forwards it might remain in the range of 78.50-81.00

Support-Resistance

LTP	S1	S2	R1	R2
79.07	78.00	77.25	79.75	81.00

GBPINR



Technical Outlook–

- On the Weekly chart, a rising channel is formed.
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) will move above 50.
- The short term trend looks towards bullish; going forwards 95 would act as a strong resistance.

Support-Resistance

LTP	S1	S2	R1	R2
93.87	93.00	92.00	95.00	96.00

JPYINR



Technical Outlook–

- On the Weekly chart, a green candle is formed
- 50EMA and 100EMA will be in Bullish crossover.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation; going forwards it might remain in the range of 65.00-66.50

Support-Resistance

LTP	S1	S2	R1	R2
65.74	65.00	64.25	66.50	67.25

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