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KEY HEADLINE

- U.S. President Donald Trump said on Friday raising tariffs on China is “certainly an option” as he considers ways to retaliate for the spread of the coronavirus out of Wuhan, China. “A lot of things are happening with respect to China. We’re not happy, obviously with what happened. This is a bad situation — all over the world, 183 countries. But we’ll be having a lot to say about that. It’s certainly an option. It’s certainly an option,” Trump told reporters.
- EURJPY is currently stuck around the 117.24 level, that being the 50.0% Fibonacci retracement of the down leg from 119.03 to the 3-year low of 115.44. The pause trails a pivot at the 200-period simple moving average (SMA) after the recent aggressive thrust upwards from the 115.44 low overran the 50-and 100-period SMAs. Looking at the short-term oscillators, the MACD, in the positive region is increasing above its red trigger line, while the RSI and stochastics back the bigger prevailing negative bearing of the SMAs.
- From an initial \$75 billion per day when the Fed announced the launch of Unlimited QE in March, the US central bank first reduced its daily buying to \$60 billion per day, then four weeks ago announced another 'taper' in its bond-buying program to \$50 billion per day, which was followed by a reduction to 30 billion per day, which was then again cut in half to \$15 billion per day. Then, last week the Fed again slashed its daily POMO by another 33%, to \$10BN per day, and now in its latest schedule, the Fed unveiled that in the coming week it would purchase "only" \$8BN per day.
- Trading the currency market is getting involved in a complex web of intertwined factors that to a lesser or greater degree will determine valuations in a particular currency pair at any point in time. However, as we approach month-end, a special element is at play. I am referring to month-end re-balancing flows, which is what we saw on Thursday’s 4pm London fix. The result tends to be punchy moves that don’t necessarily have neither a technical nor fundamental logic but rather is all about tweaks in currency risk exposure.

Currency pair

Currencies	30/04/2020	24/04/2020	Change (%)
USDINR	75.27	76.28	-1.32
EURINR	81.84	82.27	-0.52
GBPINR	94.09	94.29	-0.21
JPYINR	70.60	70.89	-0.41

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates long red candle
- A Doji pattern indicates reversal signals which can also be seen from RSI data
- Indicator RSI (14) will move below 70 on Weekly Chart.

Support-Resistance

LTP	S1	S2	R1	R2
75.27	74.50	73.75	76.00	76.75

RECOMMENDATION: SELL USDINR @ 75.00 SL 75.50 TARGET 74.00

EURINR



Technical Outlook–

- On the Weekly Chart, a red candle is formed.
- Indicator RSI (14) will remain near 50 Level.
- The near term trend shows bearish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
81.84	80.75	79.75	82.75	83.75

RECOMMENDATION: BUY EURINR @ 82.25 SL 81.75 TARGET 83.50
SELL EURINR @ 81.25 SL 81.75 TARGET 80.00

GBPINR



Technical Outlook–

- On the Weekly chart, a gravestone doji candlestick is formed.
- The momentum oscillator RSI (14) will remain near 50.
- The short term trend looks towards consolidation; with 93 acting as near term support and 97.50 acting as near term resistance.

Support-Resistance

LTP	S1	S2	R1	R2
94.09	93.00	91.75	95.00	96.25

RECOMMENDATION: BUY GBPINR @ 94.75 SL 94.00 TARGET 96.25
SELL GBPINR @ 93.25 SL 94.00 TARGET 91.75

JPYINR



Technical Outlook–

- On the Weekly chart, a small red candle is formed.
- The momentum oscillator RSI (14) will remain above 50
- The near term trend shows bearish sign

Support-Resistance

LTP	S1	S2	R1	R2
70.60	69.90	69.25	71.30	72.00

RECOMMENDATION: SELL JPYINR @ 70.75 SL 71.30 TARGET 69.50

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