

WEEKLY FOREX

DATE: 05-08-2019

KEY HEADLINE

- ➤ The dollar fell against safe havens such as the yen and Swiss francin early trading in Europe Friday, but was higher against most other currencies after President Donald Trump announced a sharp escalation of the U.S.'s trade war with China. The yen had its best day against the dollar in two years on Thursday after the announcement of a new 10% tariff on \$300 billion worth of imports from China. By 3 AM ET (0700 GMT), it was at 106.95 to the dollar, having risen to its highest since April 2018 against the greenback earlier.
- ➤ Retail trade in the euro zone rose 1.1% in June on the month, the EU's statistics agency Eurostat said on Friday, a sign that consumers may help support a weakening economy. Retail sales in the 19-country euro zone rose far more than expected by economists polled by Reuters, who on average had forecast a 0.2% rise compared with May. Trade was lifted by spending on vehicle fuel, food and drink and a sharp increase in sales of clothing and shoes, Eurostat data showed, more than offsetting the 0.6% drop in sales recorded in May.
- Activity in Britain's construction industry shrank for a third month in a row in July as Brexit worries hit building projects, amid concerns that the slowdown could soon spill over into other areas of the economy, a survey showed on Friday. The IHS Markit/CIPS construction Purchasing Managers' Index (PMI) rose to 45.3, a less severe contraction than June's 43.1 which was the weakest reading in more than 10 years but still well below the 50 level at which growth begins. Economists polled by Reuters had expected the index to recover more strongly to 46.0.
- China's offshore yuan fell to its weakest in 2-1/2 years on Friday and was close to a record low after U.S. President Donald Trump's threat to impose new tariffs on Chinese imports. The surprise threat, raising the prospect of all imports into the United States from China being hit with tariffs, also sent investors scrambling for the safe-haven yen, lifting it to a 16-month high against the dollar.

Currency pair

Currencies	02/08/2019	26/07/2019	Change (%)
USDINR	69.71	69.12	0.85
EURINR	77.57	77.17	0.51
GBPINR	84.60	86.09	-1.73
JPYINR	65.33	63.74	2.49

USDINR



Technical Outlook-

- > On the Weekly Chart, a long green candle is formed.
- > Indicator RSI (14) is around 50 on Daily Chart.
- > 50EMA and 100EMA may be in bullish crossover.
- > The near term trend looks Bullish, going forwards it might remain in range of 69.75-71.25

LTP	S1	S2	R1	R2	
69.71	69.00	68.25	70.50	71.25	

EURINR



Technical Outlook-

- > On the Weekly Chart, a Hammer pattern is formed
- > 50EMA and 100 EMA may be in Bullish Crossover
- > The momentum oscillator RSI (14) has entered in a bullish crossover.
- > The short term trend looks bullish; going forwards it would likely to move towards 78 and higher

LTP	S1	S2	R1	R2	
77.57	76.50	75.50	78.50	79.50	

GBPINR

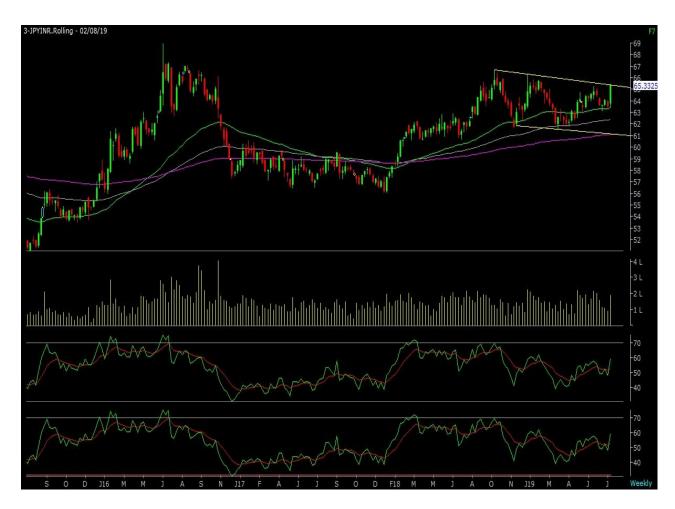


Technical Outlook-

- > On the Weekly chart, a Hammer pattern is formed.
- > 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- > The momentum oscillator RSI (14) may be in bullish crossover.
- > The overall term trend looks Weak with a support at 85

LTP	S1	S2	R1	R2
84.60	83.50	82.50	85.50	86.50

JPYINR



Technical Outlook-

- > On the Weekly chart, a large green candle is formed.
- > 50EMA and 100EMA may be in a bullish crossover.
- > The momentum oscillator RSI (14) may be in bullish crossover.
- > The short term trend looks towards breakout; going forwards it would likely to remain in range of 65.25-66.75

LTP	S1	S2	R1	R2
65.33	64.50	63.75	66.00	66.75

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
05/08/2019	GBP	Composite PMI (Jul)		
05/08/2019	GBP	Services PMI (Jul)	50.2	50.2
05/08/2019	USD	ISM Non-Manufacturing PMI (Jul)	55.5	55.1
06/08/2019	USD	JOLTs Job Openings (Jun)	7.268M	7.323M
07/08/2019	INR	Interest Rate Decision	5.50%	5.75%
07/08/2019	USD	Crude Oil Inventories		-8.496M
09/08/2019	GBP	GDP (YoY) (Q2)	1.4%	1.8%
09/08/2019	GBP	GDP (MoM)		0.3%
09/08/2019	GBP	GDP (QoQ) (Q2)		0.5%
09/08/2019	GBP	Manufacturing Production (MoM) (Jun)	-0.1%	1.4%
09/08/2019	USD	PPI (MoM) (Jul)	0.2%	0.1%

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FOREIGN CURRENCY SEGMENT

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