

DATE: 08-07-2019

KEY HEADLINE

- The euro edged lower on Friday and is on track for its biggest weekly drop in three weeks as a slide in core government bond yields ramped up pressure for fresh stimulus policies from global central banks. Germany's 10-year Bund yield breached the European Central Bank's deposit rate of -0.40%, a level analysts say acts as a psychological barrier even though shorter-dated German bond yields already trade well below it.
- Japan's core machinery orders likely fell for the first time in four months in May, a Reuters poll found on Friday, suggesting companies remain cautious about new investments as the U.S.-China trade dispute drags on. Core machinery orders likely fell 4.7% in May from the previous month, the poll of 16 economists showed. While volatile, the data series is regarded as an indicator of domestic capital spending in the next six to nine months. They rose 5.2% in April, which was the biggest gain since last October.
- As domestic economic concerns overtake last month's national election euphoria, India's stock market rally has lost steam and the index is lagging its Asian peers. The broader NSE index NSEI climbed to a record high in early June on hopes for more economic reforms after incumbent Prime Minister Narendra Modi's landslide election victory. But share prices have since succumbed to concerns over sluggish domestic consumption, rising bad bank loans and rich valuations.
- British house prices rose at the fastest annual rate since early 2017 in the three months to the end of June, mortgage lender Halifax said on Friday, adding to other signs that the housing market has stabilized after weakening on Brexit worries. House prices were up by 5.7% in the three months to June compared with the same period a year ago after rising by 5.2% in the three months to May, Halifax said on Friday. A Reuters poll of economists had pointed to a 5.9% rise. Halifax cautioned that the annual increase was flattered by weak price growth in the corresponding period in 2018. In monthly terms, prices fell by 0.3% after a rise of 0.4% in May.

Currency pair

Currencies	05/07/2019	28/06/2019	Change (%)
USDINR	68.61	69.30	-0.99
EURINR	77.46	79.06	-2.02
GBPINR	86.26	88.09	-2.07
JPYINR	63.61	64.49	-1.36

USDINR



Technical Outlook–

- On the Weekly Chart, Descending Triangle formation is formed. Breakdown is possible in the near future.
- Indicator RSI (14) is near 50 on Daily Chart.
- 50EMA and 100EMA may be in bearish crossover.
- The near term trend looks towards breakdown, going forwards it might remain in range of 68.50-70.50

Support-Resistance

LTP	S1	S2	R1	R2
68.61	67.75	67.00	69.25	70.00

EURINR



Technical Outlook–

- On the Weekly Chart, a long red candle is formed
- 50EMA and 100 EMA may be in Bearish Crossover
- The momentum oscillator RSI (14) has entered in a bearish crossover.
- The short term trend looks Bearish; going forwards it would likely to move towards 76.50 and lower.

Support-Resistance

LTP	S1	S2	R1	R2
77.46	76.50	75.50	78.50	79.50

GBPINR



Technical Outlook–

- On the Weekly chart, the pair has been consolidating after a gap down on the weekly chart.
- 50EMA and 100EMA are showing bearish crossover on the weekly charts.
- The momentum oscillator RSI (14) will enter in a bearish crossover.
- The overall term trend looks Weak with a support at 87.40

Support-Resistance

LTP	S1	S2	R1	R2
86.26	85.25	84.25	87.25	88.25

JPYINR



Technical Outlook–

- On the Weekly chart, a continuation pattern is formed.
- 50EMA and 100EMA has been in a crossover.
- The momentum oscillator RSI (14) will be in bearish crossover.
- The short term trend looks towards consolidation ; going forwards it would likely to remain in range of 62.75-64.25

Support-Resistance

LTP	S1	S2	R1	R2
63.61	62.75	62.00	64.25	65.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
09/07/2019	USD	JOLTs Job Openings (May)	7.479M	7.449M
10/07/2019	GBP	GDP (MoM)		-0.4%
10/07/2019	GBP	Manufacturing Production (MoM) (May)	2.5%	-3.9%
10/07/2019	GBP	Monthly GDP 3M/3M Change		0.3%
10/07/2019	USD	Crude Oil Inventories	-2.964M	-1.085M
11/07/2019	USD	Core CPI (MoM) (Jun)	0.2%	0.1%
12/07/2019	INR	CPI (YoY) (Jun)	3.20%	3.05%
12/07/2019	USD	PPI (MoM) (Jun)	0.1%	0.1%

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FOREIGN CURRENCY SEGMENT

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