

DATE: 09-12-2019

KEY HEADLINE

- The dollar held firm on Monday after data showed surprise strength in the U.S. jobs market, but the currency was restrained from moving higher by worries about an escalation in the U.S.-China trade war. The dollar index USD stood almost flat at 97.704 in early Asian trade on Monday, after rising 0.3% on Friday. The euro traded at \$1.10575, after hitting a one-week low of \$1.10395 on Friday. The dollar changed hands at 108.57 yen. It had lifted to 108.92 yen on the U.S. jobs data before losing momentum. U.S. nonfarm payrolls increased by 266,000 jobs last month, the biggest gain in 10 months, while the unemployment rate ticked back down to 3.5%, its lowest level in nearly half a century. figures suggested the Trump administration's 17-month trade war with China, which has plunged manufacturing into recession, has not yet spilled over to the broader U.S. economy.
- China's exports in November shrank for the fourth consecutive month, underscoring persistent pressures on manufacturers from the Sino-U.S. war but growth in imports may be a sign that Beijing's stimulus steps are helping to stoke demand. The 17-month long trade dispute has heightened the risks of a global recession and fueled speculation that China's policymakers could unleash more stimulus as growth in the world's second-largest economy cooled to nearly 30-year lows. Overseas shipments fell 1.1% from a year earlier last month, customs data showed on Sunday, compared with a 1.0% expansion tipped by a Reuters poll of analysts and a 0.9% drop in October.
- The euro was steady on Friday against the dollar, which was headed for its worst week since mid-October by concern over U.S.-China trade relations and hints of weakness in the U.S. economy. New Zealand's kiwi rebounded amid renewed risk appetite and encouraging domestic factors. Against a basket of six currencies, the dollar fell to a one-month low of 97.355, but was last flat at 97.424. The euro was little changed at \$1.1102. Sterling was 0.2% weaker at \$1.3129 and down 0.1% against the euro at 84.49 pence , but close to a two-and-a-half-year high as traders grew more confident uncertainty over Brexit would end soon.
- U.S. job growth increased by the most in 10 months in November as the healthcare industry boosted hiring and production workers at General Motors returned to work after a strike, the strongest sign yet the economy is in no danger of stalling. The unemployment rate ticked back down to its lowest level in nearly half a century and wage gains remained near their strongest in a decade, the Labor Department's closely watched monthly employment report showed on Friday. The numbers suggest consumers will keep the longest economic expansion in history, now in its 11th year, chugging along into next year when Americans will decide whether to re-elect President Donald Trump.

Currency pair

| Currencies | 06/12/2019 | 29/11/2019 | Change (%) |
|------------|------------|------------|------------|
| USDINR | 71.37 | 71.90 | -0.74 |
| EURINR | 79.25 | 79.78 | -0.66 |
| GBPINR | 93.75 | 92.85 | 0.96 |
| JPYINR | 65.81 | 65.72 | 0.14 |

USDINR



Technical Outlook–

- On the Weekly Chart, a pennant continuation pattern is formed
- Indicator RSI (14) will remain above 50 on Weekly Chart.
- 50EMA and 100EMA will be in golden crossover.
- The near term trend shows consolidation, going forwards it might remain in the range of 70.75-72.00

Support-Resistance

| LTP | S1 | S2 | R1 | R2 |
|-------|-------|-------|-------|-------|
| 71.37 | 70.75 | 70.00 | 72.00 | 72.75 |

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EURINR



Technical Outlook–

- On the Weekly Chart, a rectangle consolidation is in formation
- 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 would remain in the range of 78.50-80.00

Support-Resistance

| LTP | S1 | S2 | R1 | R2 |
|--------------|--------------|--------------|--------------|--------------|
| 79.25 | 78.50 | 77.75 | 80.00 | 80.75 |

GBPINR



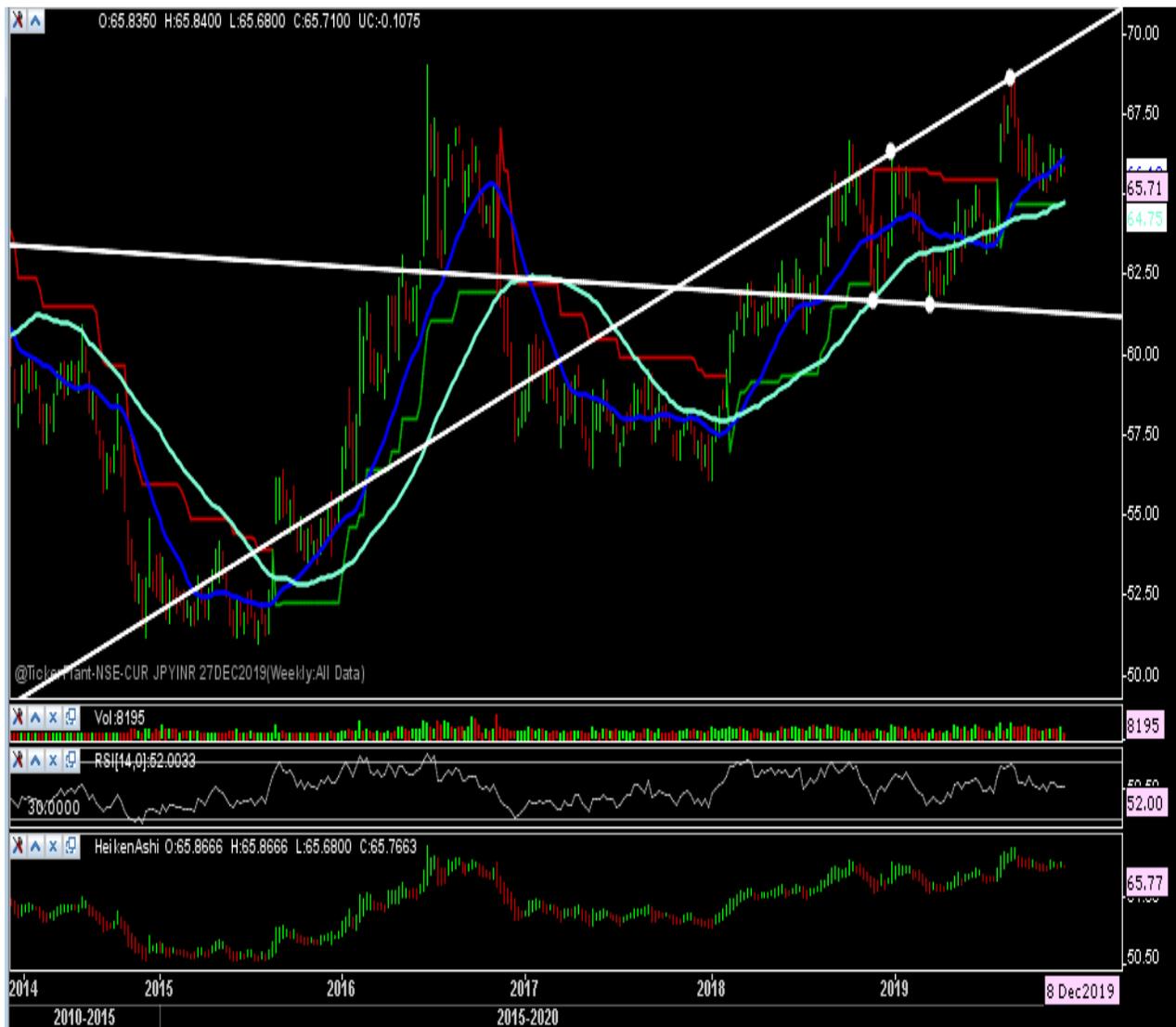
Technical Outlook–

- On the Weekly chart, a green candle is formed.
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) will move towards 70.
- The short term trend looks towards upward movement ; going forwards it would move to 94.50 and above

Support-Resistance

| LTP | S1 | S2 | R1 | R2 |
|--------------|--------------|--------------|--------------|--------------|
| 93.75 | 93.00 | 92.00 | 95.00 | 95.75 |

JPYINR



Technical Outlook–

- On the Weekly chart, an Inverted hammer pattern is formed
- 50EMA and 100EMA will be in bullish crossover.
- The momentum oscillator RSI (14) will remain above 50.
- The near term trend shows consolidation; going forwards it would remain in the range of 65.00-66.50

Support-Resistance

| LTP | S1 | S2 | R1 | R2 |
|-------|-------|-------|-------|-------|
| 65.81 | 65.00 | 64.25 | 66.50 | 67.25 |

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Most Important Event in the This Week:

| Date | Currency | Event | Forecast | Previous |
|------------|----------|--------------------------------------|----------|----------|
| 09/12/2019 | JPY | GDP (QoQ) (Q3) | 0.2% | 0.1% |
| 10/12/2019 | GBP | GDP (MoM) | -0.1% | -0.1% |
| 10/12/2019 | GBP | GDP (QoQ) (Q3) | -0.2% | 0.3% |
| 10/12/2019 | GBP | GDP (YoY) (Q3) | 1.2% | 1.0% |
| 10/12/2019 | GBP | Manufacturing Production (MoM) (Oct) | -0.1% | -0.4% |
| 10/12/2019 | EUR | German ZEW Economic Sentiment (Dec) | 0.3 | -2.1 |
| 11/12/2019 | USD | Core CPI (MoM) (Nov) | 0.2% | 0.2% |
| 11/12/2019 | USD | Crude Oil Inventories | | -4.856M |
| 12/12/2019 | USD | Fed Interest Rate Decision | 1.75% | 1.75% |
| 12/12/2019 | EUR | Deposit Facility Rate (Dec) | -0.50% | -0.50% |
| 12/12/2019 | EUR | ECB Marginal Lending Facility | 0.25% | 0.25% |
| 12/12/2019 | EUR | ECB Interest Rate Decision (Dec) | 0.00% | 0.00% |
| 12/12/2019 | USD | PPI (MoM) (Nov) | 0.2% | 0.4% |
| 13/12/2019 | USD | Core Retail Sales (MoM) (Nov) | 0.4% | 0.2% |
| 13/12/2019 | USD | Retail Sales (MoM) (Nov) | 0.4% | 0.3% |
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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Miss Priyanka Shrimankar

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