

DATE: 09-03-2020

KEY HEADLINE

- China's trade economy is slowly coming back to life, but the coronavirus outbreak has already inflicted huge and lasting damage to global trade. A series of metrics showed that this week, China made significant progress in kick-starting its imports and exports, with seaborne freight levels in particular returning to close to what they were before the crisis put large swathes of China's economy on lockdown. Data from Cargometrics, which tracks every vessel on the planet, showed that seaborne imports to China surpassed their pre-Lunar New Year levels and the average daily tonnage of between 2012 and 2019 on seven recent days. Seaborne export cargo have been rebounding more slowly, but came close to matching pre-Lunar new levels on one occasion.
- The euro roared past \$1.13 on Friday and the yen pushed below the 105 level, as a dramatic collapse in U.S. government bond yields sent the dollar on course for its worst week since 2016. Investors have slashed their expectations for U.S. interest rates following an emergency Federal Reserve 50 basis point cut this week. That is wiping away the yield advantage that had fuelled one of the popular carry trades globally - borrowing at negative rates in the euro and yen to buy U.S. assets. Markets now bet the Federal Reserve will have to cut rates by 50 basis points for a second time this month.
- Futures traders are betting the Federal Reserve will slash U.S. interest rates to near zero by April, even as many doubted the central bank can do much to stop economic damage from the spread of the new coronavirus. With cases of the illness surpassing 100,000 globally, and stock prices continuing their slide, prices of futures contracts tied to the Fed's key overnight lending rate reflected better-than-even bets the central bank will push its target rate down to the 0 to 0.25% range by its April meeting. That level has not been seen since the financial crisis and its aftermath.
- G20 finance ministers and central bank governors on Friday pledged to take "appropriate" fiscal and monetary measures in responding to the coronavirus outbreak and to protect economic growth against shocks. In a joint statement issued by G20 chair Saudi Arabia, the ministers, who met in Riyadh last month, said they welcomed measures and plans already put forward by countries to support economic activity.

Currency pair

Currencies	06/03/2020	28/02/2020	Change (%)
USDINR	73.94	72.40	2.13
EURINR	83.72	79.94	4.73
GBPINR	96.10	93.34	2.96
JPYINR	70.17	66.67	5.25

USDINR



Technical Outlook–

- On the Weekly Chart, a long green candle is formed.
- Indicator RSI (14) will remain near 70 on Weekly Chart.
- A rising channel could be seen forming in RSI with a breakout possible near 74.50 levels.

Support-Resistance

LTP	S1	S2	R1	R2
73.94	73.25	72.50	74.75	75.50

RECOMMENDATION: BUY USDINR @ 74.00 SL 73.25 TARGET 75.50

EURINR



Technical Outlook–

- On the Weekly Chart, a triangle pattern breakout is seen.
- The momentum oscillator RSI (14) have recovered from near 30 levels to 70 levels on weekly chart.
- The near term trend shows bullish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
83.72	82.75	82.00	85.00	86.00

RECOMMENDATION: BUY EURINR @ 84 SL 83 TARGET 86

GBPINR



Technical Outlook–

- On the Weekly chart, a pennant pattern breakout is seen.
- The momentum oscillator RSI (14) will remain above 50.
- The short term trend looks towards bullish signals; with prices trying to reach 100 levels.

Support-Resistance

LTP	S1	S2	R1	R2
96.10	95.00	94.00	97.25	98.50

RECOMMENDATION: BUY GBPINR @ 96.25 SL 95.00 TARGET 98.50

JPYINR



Technical Outlook–

- On the Weekly chart, an Ascending triangle breakout is formed
- The momentum oscillator RSI (14) will move above 50
- The near term trend shows bullish signals; going forwards any move below 69 levels could see further drop till 67 levels.

Support-Resistance

LTP	S1	S2	R1	R2
70.17	69.00	68.00	71.25	72.50

RECOMMENDATION: BUY JPYINR @ 70.50 SL 69.70 TARGET 72

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
09/03/2020	CNY	Trade Balance	306B	329B
10/03/2020	CNY	CPI y/y	5.2%	5.4%
11/03/2020	GBP	GDP m/m	0.2%	0.3%
11/03/2020	GBP	Manufacturing Production m/m	0.2%	0.3%
11/03/2020	GBP	Annual Budget Release		
11/03/2020	USD	CPI m/m	0.0%	0.1%
11/03/2020	USD	Core CPI m/m	0.2%	0.2%
11/03/2020	USD	Crude Oil Inventories		0.8M
12/03/2020	USD	Core PPI m/m	0.2%	0.5%
12/03/2020	USD	PPI m/m	-0.1%	0.5%
12/03/2020	EUR	Main Refinancing Rate	0.00%	0.00%
13/03/2020	USD	Prelim UoM Consumer Sentiment	95.0	101.0

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

Disclaimer:

This research report has been published by Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of Bonanza portfolio Ltd shall be liable. Research report may differ between Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the subject company or third party in connection with the research report

Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>

SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186

2018 © [Bonanza Portfolio Ltd.](https://www.bonanzaonline.com)