

DATE: 10-08-2020

KEY HEADLINE

- President Donald Trump said he's prepared to sign executive actions to provide expanded unemployment benefits as well as a temporary payroll tax holiday, eviction and student-loan relief if he can't reach agreement with Democrats. "If Democrats continue to hold this critical relief hostage, I will act under my authority as president to get the American people the relief they need," Trump said Friday at a news conference at his golf club in Bedminster, New Jersey. The president blamed top Democrats -- House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer -- for failing to agree to a deal.
- GBPUSD slumps to daily lows after better than expected employment date from the USA. The United States Nonfarm Payrolls (NFP) came in at 1763K in July, beating the expectations of 1600K, but at a slower pace as the economy added 4.8 million jobs in June. The unemployment rate fell to 10.20% from 11.1% in June. The Labor Force Participation Rate climbed to 61.4%, topping the expectations of 61.1% in July. The Average Weekly Hours came in at 34.5 above the forecasts of 34.4. The Average Hourly Earnings came in at 4.8% also above the estimates of 4.2%.
- US non-farm payrolls rose 1.763mn in July, above the 1.48mn consensus with unemployment rate falling to 10.2%. Wages growth is at 4.8% year-on-year supposedly, but should be ignored – it is caused by the fact there are fewer people in low-income employment as they have been fired so "average" hourly earnings are skewed higher versus 2019. The details show that the service sector saw most of the gains with leisure/hospitality up 592k, trade and transport rising 291k, retail up 258k and business services up 170k.
- Jerome Powell can relax and ask his FOMC colleagues why they are looking at him as though their people left for a week, and the home bar is breaking with drinks, but Christine Lagarde's feelings are different. The euro's rally prevents the eurozone's economy from recovering and consumer prices from growing. A few Executive Board members have already said the monetary policy will remain ultra-soft until inflation starts reaching the target level. I can suppose it will take a long time: the 2% level was last reached several years ago. However, EUR/USD bulls don't feel bothered.

Currency pair

Currencies	07/08/2020	31/07/2020	Change (%)
USDINR	75.11	75.01	0.13
EURINR	88.76	88.75	0.01
GBPINR	98.21	98.47	-0.26
JPYINR	71.08	71.56	-0.67

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a gravestone Doji candlestick pattern.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
75.11	74.40	73.75	75.80	76.60

RECOMMENDATION: BUY USDINR @ 75.50 SL 75.00 TARGET 76.50
SELL USDINR @ 75.00 SL 75.50 TARGET 74.00

EURINR



Technical Outlook–

- On the Weekly Chart, an Inverted Hammer candlestick pattern is seen.
- Indicator RSI (14) will move near 70 Level.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
88.76	87.75	86.50	89.75	91.00

RECOMMENDATION: BUY EURINR @ 89.00 SL 88.00 TARGET 91.00
SELL EURINR @ 88.50 SL 89.50 TARGET 86.50

GBPINR



Technical Outlook–

- On the Weekly chart, a shooting star candlestick pattern.
- The momentum oscillator RSI (14) will move near 70.
- The near term trend shows consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
98.21	97.00	95.75	99.50	100.75

RECOMMENDATION: BUY GBPINR @ 98.50 SL 97.50 TARGET 100.50
SELL GBPINR @ 98.00 SL 99.00 TARGET 96.00

JPYINR



Technical Outlook–

- On the Weekly chart, a Doji candlestick pattern is formed.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
71.08	70.30	69.50	71.80	72.60

RECOMMENDATION: BUY JPYINR @ 71.50 SL 71.00 TARGET 72.50

SELL JPYINR @ 70.50 SL 71.00 TARGET 69.50

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
11/08/2020	GBP	Claimant Count Change		-28.1
11/08/2020	USD	Core PPI m/m	0.1%	-0.3%
11/08/2020	USD	PPI m/m	0.3%	-0.2%
12/08/2020	GBP	Prelim GDP q/q	-20.5%	-2.0%
12/08/2020	GBP	GDP m/m	8.1%	1.8%
12/08/2020	USD	CPI m/m	0.3%	0.6%
12/08/2020	USD	Core CPI m/m	0.2%	0.2%
12/08/2020	USD	Crude Oil Inventories		-7.4M
13/08/2020	USD	Unemployment Claims	1200K	1186K
14/08/2020	USD	Core Retail Sales m/m		7.3%
14/08/2020	USD	Retail Sales m/m		7.5%
14/08/2020	USD	Prelim UoM Consumer Sentiment		72.5

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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