

DATE: 07-12-2020

KEY HEADLINE

- The Federal Reserve heads into its meeting next week in a familiar place, with a teetering economy that could be in further danger unless Congress approves more dollars to support those still getting slammed by the coronavirus pandemic. Also familiar ground: The Fed has limited policy options to help boost activity and is left now with some language tinkering on what it would take to raise interest rates in the future, and what it can do to help things along through its asset purchase program.
- President Donald Trump signed a one-week stopgap funding bill, passed by the Senate earlier Friday, to avert a government shutdown at midnight. The short-term spending bill, which the Senate passed by voice vote, extends government funding by a week to December 18 and is aimed at giving lawmakers more time to reach an agreement on Covid relief and broader funding legislation for a new fiscal year. It passed the House earlier this week. So far, however, stimulus talks remain at an impasse over critical sticking points, creating uncertainty over whether an agreement can be reached.
- The Food and Drug Administration has approved Pfizer and BioNTech's coronavirus vaccine for emergency use, a monumental turning point in the once-in-a-century pandemic that has taken nearly 300,000 American lives in less than a year and wreaked havoc on the U.S. economy. The FDA's emergency use authorization will now kick-start the federal government's distribution of the potentially lifesaving doses to 64 states, territories and major cities across the nation.
- With just three weeks to go, Britain is hurtling toward a no-deal Brexit and yet markets are decidedly sanguine on the looming economic shock. It's a scenario that few imagined a year ago. Helped by dollar weakness, the pound isn't far from the highest in two years and the FTSE 250 Index is down just 3% this week. The spread between French and Irish debt, a gauge of Brexit anxiety, is the narrowest since September. At first blush, the relative resilience of U.K. markets is remarkable.

Currency pair

Currencies	11/12/2020	04/12/2020	Change (%)
USDINR	73.85	73.88	-0.04
EURINR	89.47	89.87	-0.45
GBPINR	97.42	99.42	-2.01
JPYINR	70.95	71.02	-0.10

USDINR



Technical Outlook–

- On the Weekly Chart, it indicates a gravestone doji candle .
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
73.85	73.00	72.30	74.50	75.20

RECOMMENDATION: BUY USDINR @ 74.20 SL 73.70 TARGET 75.20
SELL USDINR @ 73.30 SL 73.80 TARGET 72.30

EURINR



Technical Outlook–

- On the Weekly Chart, a small red candle is formed in a gap.
- Indicator RSI (14) will remain between 50 to 70 Level.
- The near term trend shows Consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
89.47	88.50	87.25	90.50	91.75

RECOMMENDATION: BUY EURINR @ 90.25 SL 89.50 TARGET 91.75
SELL EURINR @ 88.75 SL 89.50 TARGET 87.25

GBPINR



Technical Outlook–

- On the Weekly chart, a small red candle is formed in a gap.
- The momentum oscillator RSI (14) will remain between 50 to 70 level.
- The near term trend shows Bearish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
97.42	96.25	95.00	98.75	100.00

RECOMMENDATION: BUY GBPINR @ 98.00 SL 97.00 TARGET 100.00
SELL GBPINR @ 97.00 SL 98.00 TARGET 95.00

JPYINR



Technical Outlook–

- On the Weekly chart, a rectangle formation is seen.
- The momentum oscillator RSI (14) will remain near 50 levels.
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
70.95	70.25	69.50	71.75	72.50

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
16/12/2020	EUR	Flash Manufacturing PMI	53.0	53.8
16/12/2020	EUR	Flash Services PMI	41.1	41.7
16/12/2020	GBP	Flash Manufacturing PMI		55.6
16/12/2020	GBP	Flash Services PMI	50.5	47.6
16/12/2020	USD	Core Retail Sales m/m	0.2%	0.2%
16/12/2020	USD	Retail Sales m/m	-0.2%	0.3%
16/12/2020	USD	Flash Manufacturing PMI	56.0	56.7
16/12/2020	USD	Flash Services PMI	55.9	58.4
17/12/2020	USD	Federal Funds Rate	<0.25%	<0.25%
17/12/2020	GBP	Official Bank Rate	0.10%	0.10%
17/12/2020	USD	Philly Fed Manufacturing Index	20.1	26.3
17/12/2020	USD	Unemployment Claims	780K	853K
18/12/2020	GBP	Retail Sales m/m	-4.0%	1.2%
18/12/2020	EUR	German ifo Business Climate	90.2	90.7
18/12/2020	USD	CB Leading Index m/m	0.4%	0.7%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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