

DATE: 15-06-2020

KEY HEADLINE

- Next week is important. Two G7 central banks meet and at least half a dozen emerging market central banks. There is a European Summit and perhaps a political effort to reinvigorate the UK-EU trade talks, which seem to be crashing on the shoals of stubbornness. The ECB offers its most generous long-term targeted loan that is bound to see earlier loans rolled into this new one. Further evidence that the world's largest economy has taken a baby step toward recovery. Let's unpack next week's events.
- The EURUSD lost some ground late last week after an impressive 550 pip rally that began May 25th. If you saw last week's forex forecast, you know that I was keeping a close eye on the 1.1340 to 1.1380 resistance area. Despite repeated attempts from buyers, the EURUSD never closed above 1.1380. As I mentioned before the weekend, the upward sloping flag on the 4-hour chart hinted at weakness on Friday. Sure enough, the EURUSD sold off and also retested 1.1230/40 support. That's the area sellers have to break this week to send the euro lower toward the next key support at 1.1150.
- There have been signs of strain in recent days, but the risk recovery came to a shuddering halt yesterday as Wall Street sold sharply lower. The Federal Reserve remains highly accommodative but is rightfully very cautious on the economic recovery. However, coming amidst news that states in the US are suffering from increased second wave infections have hit markets that have been seemingly priced for perfection of a serene V-shaped recovery. A bump in the road to demand recovery for oil has hit the oil rally hard and similar -6%/-7% declines on Wall Street also ensued.
- Italy must not let the economic crisis wrought by the coronavirus pandemic "go to waste" and should instead reform its stagnant economy so that it thrives after the outbreak, European Central Bank President Christine Lagarde said on Saturday. "I therefore encourage you, as policymakers, not to let this crisis go to waste," Lagarde told Italian policymakers via video-link during a consultation launched by the government. "My institution, the ECB, will play its part within its mandate.

Currency pair

Currencies	12/06/2020	05/06/2020	Change (%)
USDINR	75.94	75.80	0.18
EURINR	85.82	85.88	-0.07
GBPINR	95.86	95.72	0.15
JPYINR	70.64	69.35	1.86

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a Inverted Hammer candlestick pattern
- Indicator RSI (14) will remain near 70 on Weekly Chart.
- The near term trend shows bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
75.94	75.25	74.50	76.75	77.50

RECOMMENDATION: BUY USDINR @ 76.00 SL 75.25 TARGET 77.50

EURINR



Technical Outlook–

- On the Weekly Chart, an Ascending Triangle Breakout is seen.
- Indicator RSI (14) will remain near 70 Level.
- The near term trend shows bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
85.82	84.75	83.50	87.00	88.00

RECOMMENDATION: BUY EURINR @ 85.50 SL 84.50 TARGET 87.50

GBPINR



Technical Outlook–

- On the Weekly chart, a Shooting Star candlestick pattern has been formed.
- The momentum oscillator RSI (14) will move above 50.
- The near term trend shows consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
95.86	94.75	93.50	96.75	98.00

RECOMMENDATION: BUY GBPINR @ 95.75 SL 94.75 TARGET 98.00

JPYINR



Technical Outlook–

- On the Weekly chart, a large green candle is formed.
- The momentum oscillator RSI (14) will move above 50
- The near term trend shows bullish signs

Support-Resistance

LTP	S1	S2	R1	R2
70.64	69.75	69.00	71.30	72.00

RECOMMENDATION: BUY JPYINR @ 70.50 SL 69.75 TARGET 72.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
16/06/2020	GBP	Claimant Count Change		856.5K
16/06/2020	USD	Core Retail Sales m/m	5.5%	-17.2%
16/06/2020	USD	Retail Sales m/m	7.4%	-16.4%
17/06/2020	GBP	CPI y/y	0.5%	0.8%
17/06/2020	USD	Building Permits	1.23M	1.07M
18/06/2020	GBP	Asset Purchase Facility	745B	645B
18/06/2020	GBP	Official Bank Rate	0.10%	0.10%
18/06/2020	USD	Philly Fed Manufacturing Index	-25.0	-43.1
18/06/2020	USD	Unemployment Claims	1300K	1542K
18/06/2020	USD	CB Leading Index m/m	2.4%	-4.4%
19/06/2020	GBP	Retail Sales m/m	6.3%	-18.1%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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