

DATE: 09-09-2019

KEY HEADLINE

- The dollar extended losses in early trading in Europe Friday, as higher-yielding currencies advanced on hopes of at least a temporary truce to the U.S.-China trade war. President Donald Trump downplayed a Bloomberg report that his administration was preparing to do a temporary deal with China, potentially rolling back some of the import tariffs recently imposed on Chinese goods. “Well, it’s something that people talk about,” Trump told reporters en route to an event late Thursday. “I’d rather get the whole deal done,” The dollar index, which tracks the greenback against a basket of currencies, fell to its lowest in over a week in early trading and by 3:30 AM ET (0730 GMT) was at 98.07, down 0.2% from late Thursday.
- Europe's largest economy is not facing a bigger downturn or a pronounced recession after contracting slightly in the second quarter but there are no signs of a turnaround yet either, the German Economy Ministry said on Friday. The German economy contracted by 0.1% quarter-on-quarter in the April-June period and some weak data since then has fueled concerns that the economy could slip into recession in the July-September period. Economists generally define a technical recession as at least two consecutive quarters of contraction. This week several institutes said the economy would slide into recession in the third quarter.
- The yen was pinned near a six-week low versus the dollar on Friday as signs the United States and China were narrowing their differences over trade ahead of key talks decreased demand for safe haven assets. That nudged the yuan up to near four-week highs against the U.S. currency in offshore trade, while the euro held steady after swinging wildly on Thursday following the European Central Bank's surprise decision to resume government debt purchases from November to support a flagging economy. In the very short-term, guarded optimism about a resolution to the U.S.-China trade war should continue to push Treasury yields higher and weigh on safe-haven currencies.
- The European Union's trade surplus in goods with the United States and its deficit with China both increased in the first seven months of 2019, figures that could add extra strain to global tensions. The European Union's surplus with the United States grew to 90.9 billion euros (\$100.8 billion) in Jan-July 2019 from 80.0 billion euros in the same period of 2018, EU statistics office Eurostat reported on Friday. With China, the EU's trade deficit expanded to 109.2 billion from 98.6 billion euros.

Currency pair

Currencies	13/09/2019	06/09/2019	Change (%)
USDINR	71.05	71.84	-1.09
EURINR	78.93	79.31	-0.47
GBPINR	88.52	88.36	0.18
JPYINR	65.85	67.23	-2.05

USDINR



Technical Outlook–

- On the Weekly Chart, a large red candle is formed.
- Indicator RSI (14) has crossed over 50 on Weekly Chart.
- 50EMA and 100EMA will be in bullish crossover.
- The near term trend shows bullish signs, going forwards it might remain in the range of 70.00 to 72.50

Support-Resistance

LTP	S1	S2	R1	R2
71.05	70.00	69.25	72.00	72.75

EURINR



Technical Outlook–

- On the Weekly Chart, Falling wedge pattern is formed
- 50EMA and 100 EMA may be in Bearish Crossover
- The momentum oscillator RSI (14) is near 50 on weekly chart.
- The near term trend shows bearish signals; going forwards it would likely to move in range of 78.00-80.00

Support-Resistance

LTP	S1	S2	R1	R2
78.93	78.00	77.00	80.00	81.00

GBPINR



Technical Outlook–

- On the Weekly chart, a falling wedge pattern is in formation. Breakout is possible in the near term
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) may be in bullish crossover.
- The short term trend looks towards breakout ; going forwards it would remain in the range of 87.00-89.50

Support-Resistance

LTP	S1	S2	R1	R2
88.52	87.25	86.00	89.75	91.00

JPYINR



Technical Outlook–

- On the Weekly chart, a large red candle is formed
- 50EMA and 100EMA will be in bullish crossover.
- The momentum oscillator RSI (14) will move with a support near 50.
- The near term trend shows bullish signs; going forwards it would remain in the range of 65.00-67.00

Support-Resistance

LTP	S1	S2	R1	R2
65.85	65.00	64.25	67.00	68.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
17/09/2019	EUR	German ZEW Economic Sentiment (Sep)	-37.8	-44.1
18/09/2019	GBP	CPI (YoY) (Aug)	1.9%	2.1%
18/09/2019	EUR	CPI (YoY) (Aug)	1.0%	1.0%
18/09/2019	USD	Building Permits (Aug)	1.300M	1.317M
18/09/2019	USD	Crude Oil Inventories		-6.912M
18/09/2019	USD	Fed Interest Rate Decision		2.25%
19/09/2019	GBP	Retail Sales (MoM) (Aug)	-0.2%	0.2%
19/09/2019	GBP	BoE Interest Rate Decision (Sep)	0.75%	0.75%
19/09/2019	USD	Philadelphia Fed Manufacturing Index (Sep)	12.0	16.8
19/09/2019	USD	Existing Home Sales (Aug)	5.40M	5.42M

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FOREIGN CURRENCY SEGMENT

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