

DATE: 17-08-2020

KEY HEADLINE

- The US dollar is trading in a tight range against its major counterparts with the euro stabilising just above 1.08 as of writing. Retail sales figures from the US were not overtly optimistic as a lower than expected print at +1.2% was registered. Meanwhile, EU jobless numbers disappointed, opening a move to the downside that so far has been contained. A move lower in the EURUSD pair was contained by bids that emerged below 1.0790. After the release of the US data and the retail sales disappointment, the rally extended to 1.0835 as of writing.
- Manzhouli, China's largest land port, has saw 2,011 China-Europe freight trains this year, up 22.6 percent year on year, according to China Railway Harbin Group Co., Ltd. Over 180,500 twenty-foot equivalent units (TEUs) of goods have been transported through the cargo trains since the beginning of the year, up 22.2 percent year on year. Some 93,918 TEUs of goods have been carried by 1,039 outbound trains via Manzhouli, while over 86,600 TEUs have been carried by 972 inbound trains.
- The U.S.-Canada border will remain closed to nonessential travel for another month, officials announced on Friday, as cases in the U.S. continue to increase. Nonessential travel across the U.S.-Canadian border will remain prohibited until September 21. The border has been closed for nearly six months, beginning on March 21. The U.S. and Canadian governments mutually agreed to keep the border closed. Flights to and from both countries are still available, and the border closure only impacts travel via car.
- It's a relatively quiet week, with the main highlights being the Eurozone's PMIs and the latest FOMC minutes. In the political arena, American and Chinese negotiators will meet over the weekend to review the 'phase one' trade deal. For markets though, the most crucial drivers will be whether US lawmakers can break the deadlock in the stimulus negotiations, and whether enthusiasm around a vaccine will keep pushing global yields higher, crushing the yen. Vladimir Putin stunned financial markets this past week, after he announced that Russia has developed the first successful coronavirus vaccine.

Currency pair

Currencies	14/08/2020	07/08/2020	Change (%)
USDINR	75.01	75.11	-0.13
EURINR	88.57	88.76	-0.21
GBPINR	98.27	98.21	0.06
JPYINR	70.32	71.08	-1.07

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a small red 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
75.01	74.25	73.50	75.75	76.50

RECOMMENDATION: BUY USDINR @ 75.50 SL 75.00 TARGET 76.50
SELL USDINR @ 74.50 SL 75.00 TARGET 73.50

EURINR



Technical Outlook–

- On the Weekly Chart, a Dragonfly Doji 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
88.57	87.50	86.25	89.50	90.75

RECOMMENDATION: BUY EURINR @ 89.25 SL 88.50 TARGET 90.75
SELL EURINR @ 87.75 SL 88.50 TARGET 86.25

GBPINR



Technical Outlook–

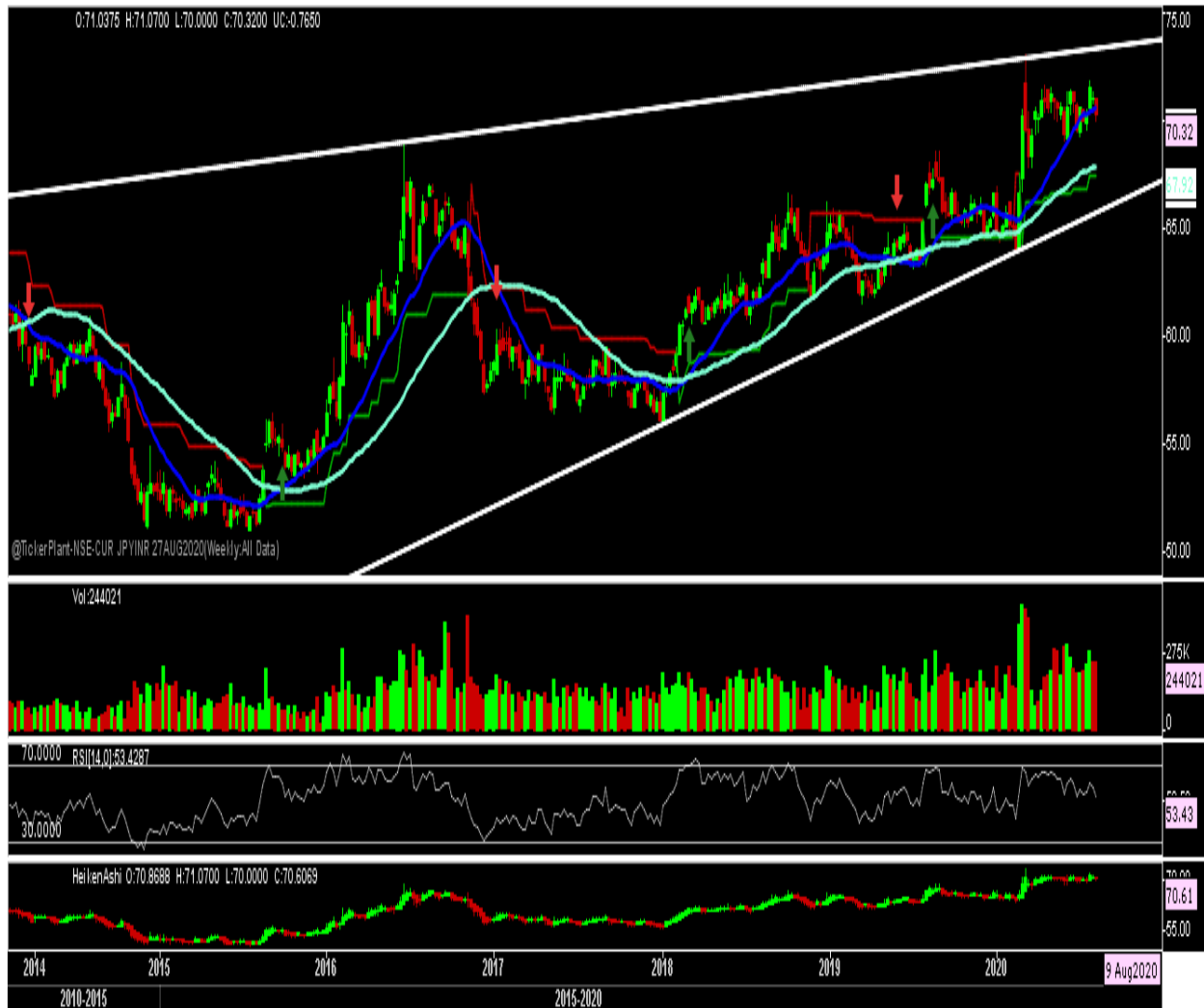
- On the Weekly chart, a small green candle.
- The momentum oscillator RSI (14) will move near 70.
- The near term trend shows consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
98.27	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 small red candle is seen.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
70.32	69.50	68.75	71.00	71.75

RECOMMENDATION: BUY JPYINR @ 70.75 SL 70.25 TARGET 71.75

SELL JPYINR @ 69.75 SL 70.25 TARGET 68.75

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
19/08/2020	USD	Crude Oil Inventories		-4.5M
20/08/2020	USD	Philly Fed Manufacturing Index	21.0	24.1
20/08/2020	USD	Unemployment Claims	990K	963K
20/08/2020	USD	CB Leading Index m/m	1.0%	2.0%
21/08/2020	EUR	French Flash Services PMI	56.3	57.3
21/08/2020	EUR	French Flash Manufacturing PMI	53.0	52.4
21/08/2020	EUR	German Flash Manufacturing PMI	52.2	51.0
21/08/2020	EUR	German Flash Services PMI	55.3	55.6
21/08/2020	EUR	Flash Manufacturing PMI	52.7	51.8
21/08/2020	EUR	Flash Services PMI	54.6	54.7
21/08/2020	GBP	Flash Manufacturing PMI	54.0	53.3
21/08/2020	GBP	Flash Services PMI	57.0	56.5
21/08/2020	USD	Flash Manufacturing PMI	51.6	50.9

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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