

DATE: 17-02-2020

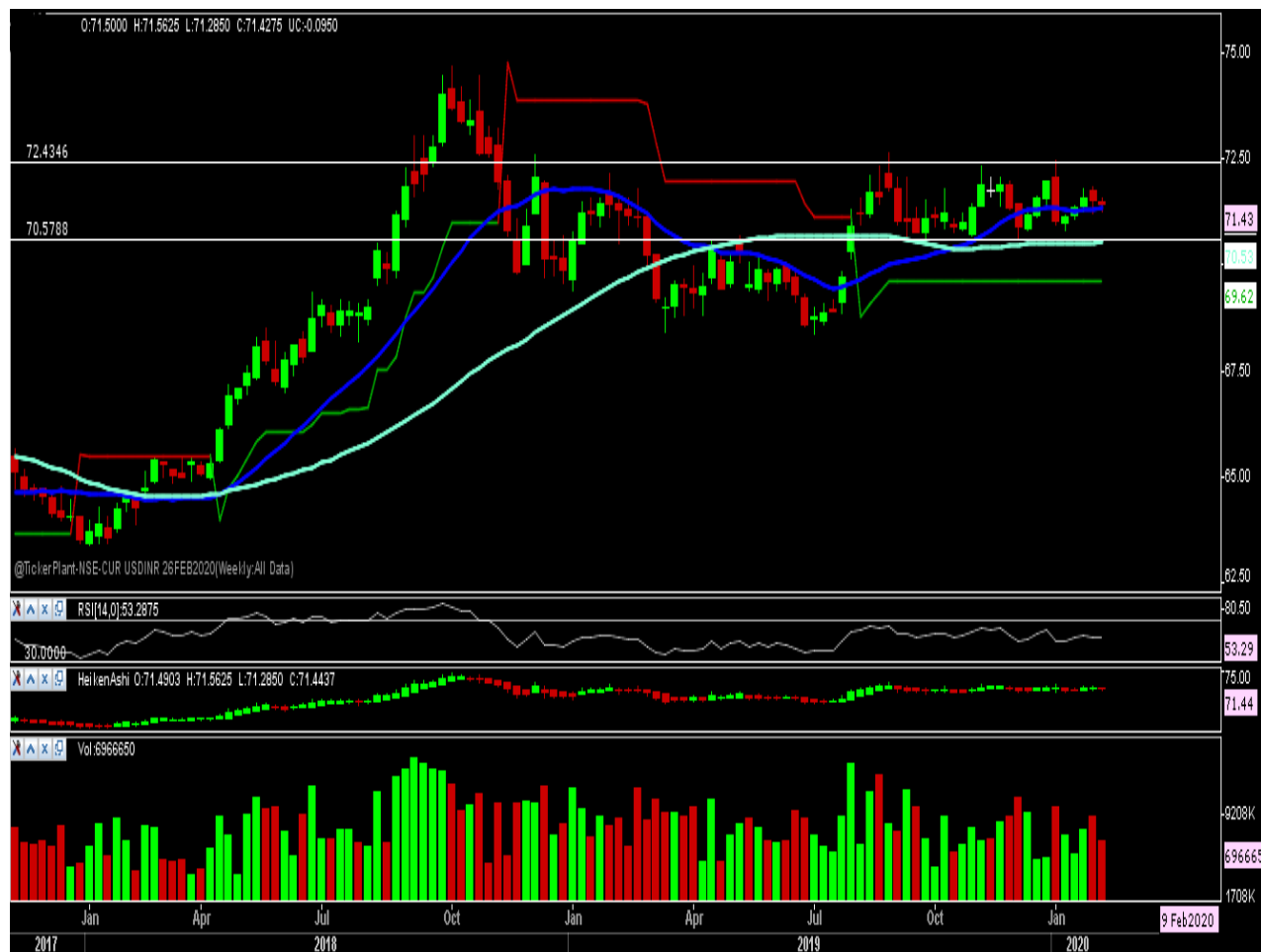
KEY HEADLINE

- Reaction to the renewed concerns of the scope of the Coronavirus (or COVID-19 which is the World Health Organisation's new official name) drove a knee-jerk reaction back into safety on financial markets yesterday. However, the move seems to have been short-lived. Initial moves were broadly retraced into the close and there is a sense that the dust is quickly settling this morning. Bond yields have rebounded, the Chinese yuan recovered, whilst there was a notable degree of support for oil.
- The outbreak of the Wuhan Coronavirus has rattled financial markets across the globe, although much is unknown as to whether the outbreak will expand to a pandemic and what the size of the impact will be. In order to gauge the potential impact of coronavirus, this article will compare previous virus outbreaks and trends across the S&P 500, major commodities and currencies. With that said, we are cognizant to the fact that China is more connected to the global economy, contributing a growing proportion to world GDP (~20%) compared to 2002-03 (~5%) when SARS broke out.
- The impulsive structure seen on the British Pound suggests further upside as part of minor wave 1. With the corrective 'three' fully completed on a false break below minor A low, this projection assumes that the upside is a 2-degree impulse. It is consisting of 5-wave structures of the minuette and minute degree and has a target the 100% Fibonacci extension near 1.3193. Should the current correction towards 1.30 prove to be a test, we could see minor wave 1 as a reversal to the upside. The end of the minor degree impulse could end beyond 1.3515 as part of the intermediate wave (5).
- U.S. retail sales rose in January for a fourth straight month as cheaper prices at the gas pump encouraged Americans to spend on other goods, underscoring steady consumer spending. The value of overall sales climbed 0.3% after a downwardly revised 0.2% increase the prior month, Commerce Department figures showed Friday. Excluding receipts at filling stations, retail purchases increased 0.3%, the most in five months. Steady demand at retailers indicates the consumer remains the economy's key fuel source. Resilient hiring and wage growth are helping to boost both sentiment and spending.

Currency pair

Currencies	14/02/2020	07/02/2020	Change (%)
USDINR	71.42	71.52	-0.14
EURINR	77.52	78.47	-1.21
GBPINR	93.14	92.55	0.64
JPYINR	65.10	65.21	-0.17

USDINR



Technical Outlook–

- On the Weekly Chart, rectangle formation is seen
- Chart shows range bound movement.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows consolidation trading between 72.25 as near term resistance and 70.75 acting as near term support.

Support-Resistance

LTP	S1	S2	R1	R2
71.42	70.75	70.00	72.25	73.00

EURINR



Technical Outlook–

- On the Weekly Chart, rectangle formation is seen
- 50EMA and 100 EMA will move to bearish Crossover
- The momentum oscillator RSI (14) will remain below 50 on weekly chart.
- The near term trend shows consolidation; going forwards it might remain in range of 77.00 to 78.25

Support-Resistance

LTP	S1	S2	R1	R2
77.52	76.75	76.00	78.25	79.00

GBPINR



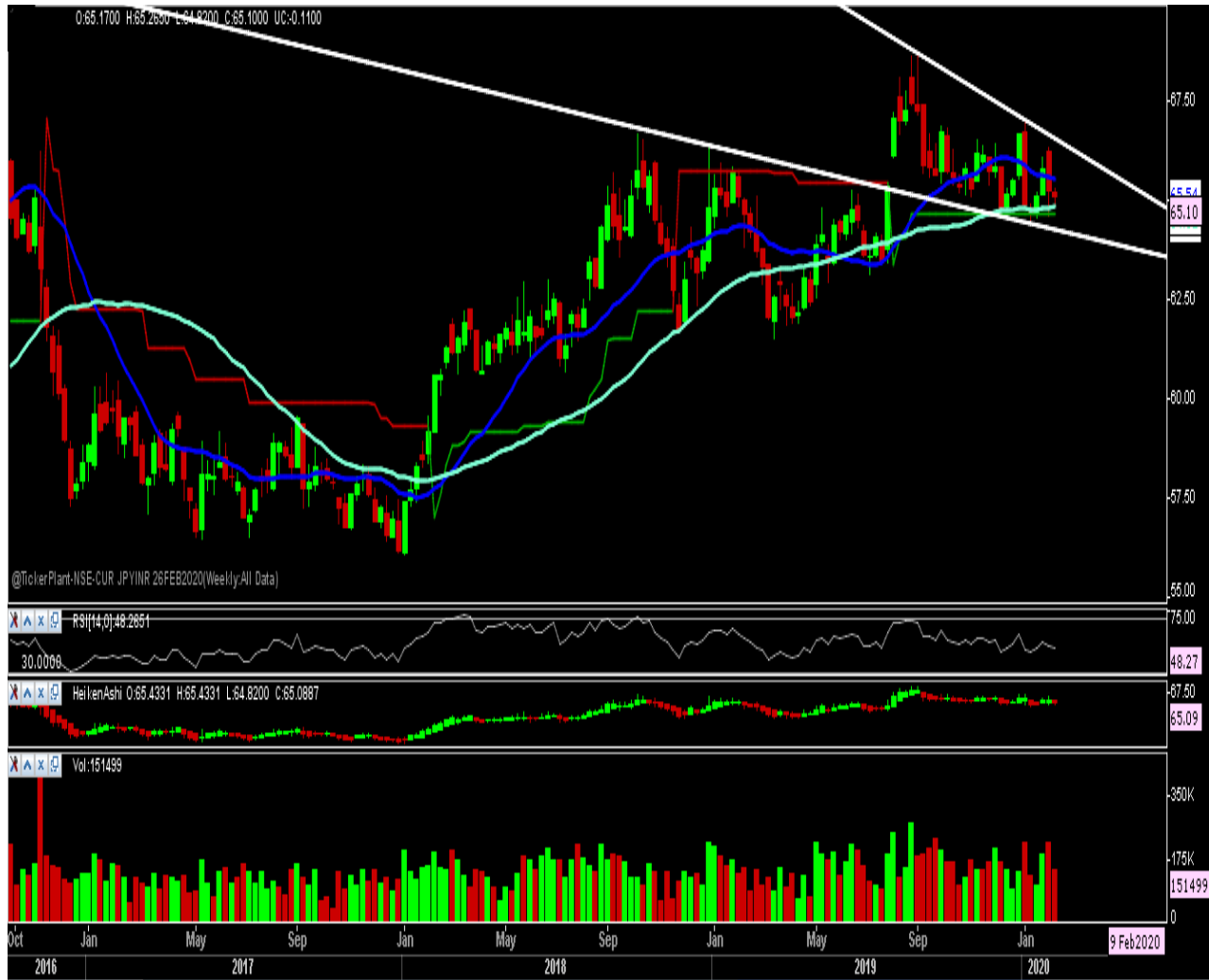
Technical Outlook–

- On the Weekly chart, an Hammer Pattern is formed.
- 50EMA and 100EMA will move towards bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) will move above 50.
- The short term trend looks towards Bullish signals; going forwards any drop below 92 levels could move towards 91.

Support-Resistance

LTP	S1	S2	R1	R2
93.14	92.00	91.00	94.00	95.00

JPYINR



Technical Outlook–

- On the Weekly chart, a small red candle is formed
- 50EMA and 100EMA will be in Bearish crossover.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation; going forwards any move below 64.50 could see new drop till 63 levels.

Support-Resistance

LTP	S1	S2	R1	R2
65.10	64.40	63.50	66.00	66.75

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
18/02/2020	GBP	Average Earnings Index 3m/y	3.1%	3.2%
18/02/2020	EUR	German ZEW Economic Sentiment	20.0	26.7
19/02/2020	GBP	CPI y/y	1.7%	1.3%
19/02/2020	GBP	PPI Input m/m	-0.5%	0.1%
19/02/2020	USD	Building Permits	1.45M	1.42M
19/02/2020	USD	Core PPI m/m	0.2%	0.1%
19/02/2020	USD	PPI m/m	0.1%	0.1%
20/02/2020	GBP	Retail Sales m/m	0.7%	-0.6%
20/02/2020	USD	Philly Fed Manufacturing Index	10.1	17.0
20/02/2020	USD	Crude Oil Inventories		7.5M
21/02/2020	EUR	French Flash Services PMI	51.4	51.0
21/02/2020	EUR	French Flash Manufacturing PMI	50.8	51.1
21/02/2020	EUR	German Flash Manufacturing PMI	44.8	45.3
21/02/2020	EUR	German Flash Services PMI	53.9	54.2
21/02/2020	EUR	Flash Manufacturing PMI	47.4	47.9
21/02/2020	EUR	Flash Services PMI	52.4	52.5
21/02/2020	GBP	Flash Manufacturing PMI	49.7	50.0
21/02/2020	GBP	Flash Services PMI	53.4	53.9
21/02/2020	USD	Flash Manufacturing PMI	51.5	51.9

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Miss Priyanka Shrimankar

Disclosure:

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