

DATE: 20-07-2020

KEY HEADLINE

- U.S. consumer sentiment turned decidedly more pessimistic in July, defying forecasts for further improvement after the resurgent coronavirus nearly wiped out emerging confidence around reopenings. The University of Michigan’s preliminary sentiment index decreased 4.9 points to 73.2, according to data Friday, reversing most of the prior month’s 5.8-point gain. The median projection in a Bloomberg survey of economists called for a slight increase to 79, with estimates ranging from 75 to 85. The gauge of current conditions dropped 3.9 points to 84.2, while a measure of expectations declined 6.1 points to 66.2.
- GBPJPY has come to a standstill at 134.47, that being the 50.0% Fibonacci retracement of the down leg from 144.94 to 124.00. The 200-day simple moving average (SMA) sponsors a broader neutral picture with its mostly horizontal tone while the recent bullish crossover of the 100-day SMA by the ascending 50-day one, may provide the necessary boost to return upside sentiment. Although directional momentum has disappeared, the short-term oscillators look skewed to the upside. The MACD is marginally above its red trigger line and neutral mark, while the RSI hovers slightly above the 50 threshold.
- Finance officials from the Group of 20 major economies vowed on Saturday to continue using “all available policy tools” to fight the coronavirus pandemic and bolster the global economy, warning that the outlook remains highly uncertain. G20 finance ministers and central bankers, in a communique issued after a virtual meeting on Saturday, said the global economy would recover as economies gradually reopen, but said further actions were needed to ensure growth.
- In this weekly Forex forecast, I’m going to show you exactly how I’m trading EURUSD, GBPUSD, EURGBP, EURCAD, and VETUSD through July 24, 2020. EURUSD bulls just capped off an impressive week. I first mentioned this descending channel, which is also serving as a bull flag pattern on June 29th. The July 6th close above resistance confirmed the breakout and exposed the 1.1350 resistance level. That’s the area I mentioned last weekend. As anticipated, EURUSD broke above 1.1350 last Tuesday, which opened the door to the channel’s inception point at 1.1420.

Currency pair

Currencies	17/07/2020	10/07/2020	Change (%)
USDINR	75.06	75.38	-0.42
EURINR	85.77	85.16	0.72
GBPINR	94.20	95.11	-0.96
JPYINR	70.06	70.59	-0.75

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a Shooting Star candlestick pattern.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows Bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
75.06	74.25	73.50	75.75	76.50

RECOMMENDATION: SELL USDINR @ 75.25 SL 76.00 TARGET 73.75

EURINR



Technical Outlook–

- On the Weekly Chart, an Inverted Hammer 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
85.77	84.50	83.25	87.00	88.25

RECOMMENDATION: BUY EURINR @ 86.50 SL 85.75 TARGET 88.00
SELL EURINR @ 85.00 SL 85.75 TARGET 83.50

GBPINR



Technical Outlook–

- On the Weekly chart, a small red candle has been formed.
- The momentum oscillator RSI (14) will remain near 50.
- The near term trend shows consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
94.20	93.00	91.75	95.50	96.75

RECOMMENDATION: BUY GBPINR @ 95.00 SL 94.25 TARGET 96.50
SELL GBPINR @ 93.50 SL 94.25 TARGET 92.00

JPYINR



Technical Outlook–

- On the Weekly chart, a small red candle is formed.
- The momentum oscillator RSI (14) will move near 50
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
70.06	69.25	68.50	70.75	71.50

RECOMMENDATION: SELL JPYINR @ 70.25 SL 71.00 TARGET 68.75

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
22/07/2020	USD	Crude Oil Inventories		-7.5M
23/07/2020	USD	Unemployment Claims	1280K	1300K
23/07/2020	USD	CB Leading Index m/m	2.1%	2.8%
24/07/2020	GBP	Retail Sales m/m	8.0%	12.0%
24/07/2020	EUR	French Flash Services PMI	52.3	50.7
24/07/2020	EUR	French Flash Manufacturing PMI	53.2	52.3
24/07/2020	EUR	German Flash Manufacturing PMI	48.0	45.2
24/07/2020	EUR	German Flash Services PMI	50.2	47.3
24/07/2020	EUR	Flash Manufacturing PMI	49.6	47.4
24/07/2020	EUR	Flash Services PMI	51.0	48.3
24/07/2020	GBP	Flash Manufacturing PMI	52.0	50.1
24/07/2020	GBP	Flash Services PMI	51.1	47.1
24/07/2020	USD	Flash Manufacturing PMI	52.0	49.8

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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