

DATE: 21-12-2020

KEY HEADLINE

- A holiday-shortened week will see dwindling participation. The lighter activity could make for either subdued price action or volatile activity. Brexit is a gift that keeps giving, and despite posturing to the contrary, neither side appears to want to be seen as the party that walked away. After much teeth-gnashing and finger-pointing, the US still appears set to provide modest fiscal stimulus that will help overcome the cliff of expiring income support programs. The scaled-down initiative keeps the door open to a larger package next year, depending on the two Senate races in Georgia.
- Over the past month, it seems that almost daily a Brexit trade deal could be reached. However, comments from both sides have changed seemingly almost every hour, causing volatility in GBP pairs. This past week, traders appear to believe that some type of deal will be done, therefore causing Sterling to go bid! What could happen to GBP if a deal gets done this weekend, while the markets are closed? GBP/USD GBP/USD is up nearly 2.25% this week on hopes that a Brexit deal will be reached.
- British Prime Minister Boris Johnson on Saturday imposed tighter coronavirus curbs on millions of people in England and largely reversed plans to ease restrictions over Christmas, as the country battles a new more infectious strain of the virus. The number of cases in England has soared in the last two weeks because of a variant of the virus that scientists said is up to 70% more transmissible.
- The U.S. current account deficit surged to its highest level in more than 12 years in the third quarter as a record rebound in consumer spending pulled in imports, outpacing a recovery in exports. The Commerce Department said on Friday the current account deficit, which measures the flow of goods, services and investments into and out of the country, widened 10.6% to \$178.5 billion last quarter. That was the highest since the second quarter of 2008. Data for the second quarter was revised to show a \$161.4 billion shortfall, instead of \$170.5 billion as previously reported.

Currency pair

Currencies	18/12/2020	11/12/2020	Change (%)
USDINR	73.61	73.85	-0.32
EURINR	90.14	89.47	0.75
GBPINR	99.52	97.42	2.16
JPYINR	71.19	70.95	0.34

USDINR



Technical Outlook–

- On the Weekly Chart, it indicates a falling channel .
- Indicator RSI (14) will move below 50 on Weekly Chart.
- The near term trend shows Bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
73.61	72.80	72.00	74.30	75.00

RECOMMENDATION: BUY USDINR @ 74.00 SL 73.50 TARGET 75.00
SELL USDINR @ 73.00 SL 73.50 TARGET 72.00

EURINR



Technical Outlook–

- On the Weekly Chart, a rising channel is seen.
- Indicator RSI (14) will move above 70 Level.
- The near term trend shows Bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
90.14	89.25	88.00	91.25	92.50

RECOMMENDATION: BUY EURINR @ 90.25 SL 89.25 TARGET 92.50

GBPINR



Technical Outlook–

- On the Weekly chart, a large green candle is formed.
- The momentum oscillator RSI (14) will remain between 50 to 70 level.
- The near term trend shows Consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
99.52	98.25	97.00	100.75	102.00

RECOMMENDATION: BUY GBPINR @ 100.00 SL 99.00 TARGET 102.00
SELL GBPINR @ 99.00 SL 100.00 TARGET 97.00

JPYINR



Technical Outlook–

- On the Weekly chart, an Ascending triangle is seen.
- The momentum oscillator RSI (14) will move above 50 levels.
- The near term trend shows Bullish signs

Support-Resistance

LTP	S1	S2	R1	R2
71.19	70.50	69.75	72.00	72.75

RECOMMENDATION: BUY JPYINR @ 71.75 SL 71.25 TARGET 72.75

SELL JPYINR @ 70.75 SL 71.25 TARGET 69.75

Disclosure:

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