

DATE: 21-09-2020

KEY HEADLINE

- Boris Johnson is spending the weekend considering whether to tighten Covid-19 measures in England, after saying the UK was "now seeing a second wave". The government is understood to be looking at a ban on households mixing, and reducing opening hours for pubs. At least 13.5 million people, roughly one in five of the UK population, are already facing local restrictions. Former government adviser Prof Neil Ferguson said new measures were needed "sooner rather than later".
- The US dollar rally in the wake of the FOMC meeting seems to already have run out of steam. Lackluster US data yesterday (jobless claims slightly higher than expected, along with housing data marginally missing) helped to drag the dollar back. The Fed may have upwardly revised its 2020 growth forecasts but it is now very much on a looser for longer path of monetary policy. It points towards near term dollar strength still being a chance to sell. It is interesting that the Dollar Index continues to see rallies flounder in the resistance band between 93.50/94.00.
- Australian Prime Minister Scott Morrison says he is expecting to see a jobs bounce-back in the nation as its worst-hit state prepares for a cautious reopening. New virus cases in Victoria fell to 14 on Sunday, the state's health department said on Twitter. That's the lowest in more than three months. The 14-day rolling average declined to 36.2 in metropolitan Melbourne, comfortably below the 50 level the local administration has set as the benchmark for a slight easing of restrictions on Sept. 28.
- After a brief short squeeze on the back of the FOMC meeting, the dollar looks as though it is settling back into the kind of benign decline that allows risk assets to prosper. The domestic US highlight of the week ahead may be testimony to the House from FOMC Chair Powell on Tuesday and then again, joined by Treasury Secretary Mnuchin to the Senate on Thursday. The data calendar is quite light, but August existing home sales are expected to be strong following record low US mortgage rates.

Currency pair

Currencies	18/09/2020	11/09/2020	Change (%)
USDINR	73.47	73.65	-0.24
EURINR	87.02	87.36	-0.39
GBPINR	95.42	94.56	0.91
JPYINR	70.39	69.39	1.44

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a Gravestone Doji candlestick.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
73.47	72.75	72.00	74.25	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 Doji candlestick pattern is seen.
- Indicator RSI (14) will remain near 50 Level.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
87.02	86.00	84.75	88.00	89.25

RECOMMENDATION: BUY EURINR @ 87.75 SL 87.00 TARGET 89.25
SELL EURINR @ 86.25 SL 87.00 TARGET 84.75

GBPINR



Technical Outlook–

- On the Weekly chart, a bullish harami candlestick pattern is seen.
- The momentum oscillator RSI (14) will move above 50.
- The near term trend shows Bullish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
95.42	94.25	93.00	96.75	98.00

RECOMMENDATION: BUY GBPINR @ 95.25 SL 94.00 TARGET 98.00

JPYINR



Technical Outlook–

- On the Weekly chart, a large green candle is seen.
- The momentum oscillator RSI (14) will move above 50
- The near term trend shows bullish signs

Support-Resistance

LTP	S1	S2	R1	R2
70.39	69.70	69.00	71.20	72.00

RECOMMENDATION: BUY JPYINR @ 70.50 SL 69.70 TARGET 72.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
22/09/2020	GBP	Public Sector Net Borrowing	40.6B	25.9B
23/09/2020	EUR	French Flash Services PMI	52.2	51.5
23/09/2020	EUR	French Flash Manufacturing PMI	50.6	49.8
23/09/2020	EUR	German Flash Manufacturing PMI	52.0	52.2
23/09/2020	EUR	German Flash Services PMI	53.0	52.5
23/09/2020	EUR	Flash Manufacturing PMI	51.5	51.7
23/09/2020	EUR	Flash Services PMI	51.0	50.5
23/09/2020	GBP	Flash Manufacturing PMI	54.3	55.2
23/09/2020	GBP	Flash Services PMI	57.0	58.8
23/09/2020	USD	Flash Manufacturing PMI	52.5	53.1
23/09/2020	USD	Flash Services PMI	54.5	55.0
23/09/2020	USD	Crude Oil Inventories		
24/09/2020	USD	Unemployment Claims		860K
25/09/2020	USD	Core Durables Goods Orders m/m	1.0%	2.6%
25/09/2020	USD	Durable Goods Orders m/m	1.1%	11.4%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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