

DATE: 22-02-2021

## KEY HEADLINE

- For the week, the dollar slid about 0.2% against a basket of world currencies, the euro was essentially flat, and the yen lost more than 0.5%. But the British pound advanced more than 1.1% against the dollar, its best week since mid-December.
- The dollar lost ground on Friday as market participants favored currencies associated with risk-on sentiment over the safe-haven greenback.
- Risk appetite was stoked by better-than-expected economic data and expectations that U.S. President Joe Biden's proposed \$1.9 trillion coronavirus relief package will come to fruition.
- The market value of Bitcoin hit the milestone of \$1 trillion on Friday as the price of the digital asset broke past many levels. Today, we went even higher, past \$57,000, aiming for the sweet round number of \$60k now. As of writing, it has been comfortably trading above \$57k, with a market cap of \$1.06 billion.
- The Australian dollar, which is closely linked to commodity prices and the outlook for global growth, was last up 1.21% at \$0.7863, touching its highest since March 2018. New Zealand dollar also gained, closing in on a more than two-year high, and the Canadian dollar advanced as well.
- Sterling, which often benefits from increased risk appetite, rose to an almost three-year high amid Britain's aggressive vaccination program. It had last gained 0.27% to \$1.40. euro showed little reaction to a slowdown in factory activity indicated by purchasing manager index data, rising 0.21% to \$1.2116. yen, gained ground against the dollar and was last at 105.495, creeping above its 200-day moving average for the first time in three days.
- The hoped-for improvement in the U.S. labor market failed to materialize, last week, as another wave of layoffs put the country on course for another disappointing payrolls report in two weeks' time.

## Currency pair

Currencies	15/02/2021	19/02/2021	Change (%)
USDINR	72.66	72.63	<b>-0.04</b>
EURINR	88.11	87.77	<b>-0.38</b>
GBPINR	100.60	101.17	<b>0.56</b>
JPYINR	69.28	68.80	<b>0.69</b>

# USDINR

**RECOMMENDATION: SELL USDINR below 72.60 SL 73.20 TARGET 71.50**

# EURINR

**RECOMMENDATION: BUY EURINR above 88.70 SL 87.60 TARGET 90.50**

# GBPINR

**RECOMMENDATION: BUY GBPINR above 101.45 SL 100.70 TARGET 102.50**

# JPYINR

**RECOMMENDATION: SELL JPYINR below 68.70 SL 69.80 TARGET 66.50**

**RESEARCH BONANZA**

**FOREIGN CURRENCY SEGMENT**

**OUTLOOK BY: Analyst Vibhu Ratandhara**

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