

DATE: 22-06-2020

KEY HEADLINE

- The UK was forced to go into strict lockdown at the end of March in a bid to stop the spread of the deadly virus. Millions of people were unable to go to work due to the restrictions and fears of a catastrophic economic crash have been ignited. Under government rules, non-essential shops are now allowed to reopen as long as they follow the two-metre social distancing rules. But there are concerns about the future of the hospitality industry and those which require face to face contact.
- The recent tumble in the value of the dollar is just the beginning of a far greater plunge that is about to materialize, analysts say. That will likely put further stresses on an already beleaguered economy and could make re-election for the Trump administration harder. "Our FX [foreign exchange] strategists believe that the recent decline in the USD is just the beginning of a larger structural downtrend in the greenback driven, in part, by a further recovery in the global economy," states a recent report from iconic Wall Street bank Goldman Sachs GSBD .
- GBPUSD has declined considerably after touching a three-month high of 1.2815 on June 10, while during yesterday's session it posted a fresh three-week low around the 1.2400 handle and is currently not far above that nadir. The flat Tenkan- and Kijun-sen lines serve as a testament to the possible upside retracement. The RSI indicator is suggesting a pullback in the very short-term as it is gaining some ground above the 30 level. On the other hand, the MACD is still hovering below its trigger and zero lines endorsing the negative scenario in the longer timeframe.
- Although there is a very mild positive bias this morning as the European trading session takes hold, major markets are searching for conviction as we approach the end of the week. A mild risk negative bias from yesterday is being countered today but these are all still very minor moves compared to what traders have been used to in recent weeks. Add in the fact that it is also "quadruple witching" today (where futures and options for index and individual stocks all expire on the same day) which could add some volatility later today, so there is a degree of caution in front of this event too.

Currency pair

Currencies	19/06/2020	12/06/2020	Change (%)
USDINR	76.25	75.94	0.41
EURINR	85.37	85.82	-0.52
GBPINR	94.34	95.86	-1.59
JPYINR	71.32	70.64	0.96

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates a Inverted Hammer candlestick pattern
- Indicator RSI (14) will remain near 70 on Weekly Chart.
- The near term trend shows bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
76.25	75.50	74.75	77.00	77.75

RECOMMENDATION: BUY USDINR @ 76.00 SL 75.25 TARGET 77.50

EURINR



Technical Outlook–

- On the Weekly Chart, an Ascending Triangle Breakout is seen.
- Indicator RSI (14) will remain near 70 Level.
- The near term trend shows bullish signals.

Support-Resistance

LTP	S1	S2	R1	R2
85.38	84.25	83.00	86.50	87.75

RECOMMENDATION: BUY EURINR @ 85.75 SL 85.00 TARGET 87.50
SELL EURINR @ 84.50 SL 85.25 TARGET 83.00

GBPINR



Technical Outlook-

- On the Weekly chart, a Shooting Star candlestick pattern has been formed.
- The momentum oscillator RSI (14) will remain near 50.
- The near term trend shows Bearish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
94.35	93.25	92.00	95.50	96.75

RECOMMENDATION: BUY GBPINR @ 94.75 SL 94.00 TARGET 96.75
SELL GBPINR @ 93.50 SL 94.25 TARGET 92.00

JPYINR



Technical Outlook–

- On the Weekly chart, an Hammer candlestick pattern is formed.
- The momentum oscillator RSI (14) will move near 70
- The near term trend shows bullish signs

Support-Resistance

LTP	S1	S2	R1	R2
71.32	70.50	69.75	72.00	72.75

RECOMMENDATION: BUY JPYINR @ 71.25 SL 70.70 TARGET 72.50

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
23/06/2020	EUR	French Flash Services PMI	44.9	31.1
23/06/2020	EUR	French Flash Manufacturing PMI	46.1	40.6
23/06/2020	EUR	German Flash Manufacturing PMI	41.5	36.6
23/06/2020	EUR	German Flash Services PMI	41.7	32.6
23/06/2020	EUR	Flash Manufacturing PMI	43.8	39.4
23/06/2020	EUR	Flash Services PMI	40.5	30.5
23/06/2020	GBP	Flash Manufacturing PMI	45.2	40.7
23/06/2020	GBP	Flash Services PMI	39.1	29.0
23/06/2020	USD	Flash Manufacturing PMI	50.0	39.8
25/06/2020	USD	Core Durable Goods Orders m/m	2.5%	-7.7%
25/06/2020	USD	Durable Goods Orders m/m	10.5%	-17.7%
25/06/2020	USD	Final GDP q/q	-5.0%	-5.0%
25/06/2020	USD	Unemployment Claims	1300K	1508K
26/06/2020	USD	Core PCE Price Index m/m	0.0%	-0.4%
26/06/2020	USD	Personal Spending	8.9%	-13.6%
26/06/2020	USD	Revised UoM Consumer Sentiment	79.1	78.9

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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