

DATE: 22-10-2019

KEY HEADLINE

- The dollar was crawling toward its worst month since January 2018 on Monday as intermittent waves of Brexit optimism pushed the pound to a 5-1/2 month high and kept the euro's bumper October intact. Although Prime Minister Boris Johnson this weekend was forced by his opponents to send a letter to Brussels seeking a delay to Britain's departure from the European Union as UK lawmakers delayed a vote on a reworked Brexit deal, the currency market reflected tentative hopes that it would eventually be passed. Johnson will again try to put his Brexit deal to a vote in parliament on Monday. the dollar, sterling was last up 0.1% in North American trade, having earlier broken above \$1.30 for the first time in 5-1/2 months. The euro was 0.18% higher against the dollar , having also been lifted by Brexit optimism this month by 2.23%.
- New home prices in China grew at a steady pace in September, with fewer cities reporting price gains, a relief for policymakers who remain wary of high debt and bubble risk and are refraining from stimulating the sector as the economy cools. The property sector has held up as one of the few bright spots in the world's second-largest economy with other parts hit as factories struggle to land new orders from abroad amid Beijing's bruising trade war with the United States. Average new home prices in China's 70 major cities rose 0.5% in September from August, when it also grew at the same pace -the slowest since February, Reuters calculated based on National Bureau of Statistics (NBS) data on Monday.
- Signs that the U.S. and China were making progress in efforts to resolve their trade dispute supported both the dollar and trade-exposed Asian currencies on Tuesday, while the Canadian dollar rose as voters went to the polls in a closely-fought election. The volatile pound sat just under a 5-1/2-month high at \$1.2962, with the Brexit project in disarray but traders looking to another crucial parliamentary vote on Tuesday to determine the next step. President Donald Trump said in Washington that work toward ending the U.S.-China dispute was going well, while White House adviser Larry Kudlow said tariffs scheduled for December could be withdrawn if progress is made.
- The European Commission has sent a letter to Italian authorities asking for clarification over its 2020 draft budget and Rome will reply by Wednesday, an Italian government source told Reuters. Italy's draft 2020 budget assumes a rise in the structural deficit, the measure excluding business cycle swings and one off expenditure and revenue, of 0.1% of GDP, while under EU rules this deficit should fall 0.6% of GDP.

Currency pair

Currencies	18/10/2019	11/10/2019	Change (%)
USDINR	71.20	71.14	0.08
EURINR	79.32	78.69	0.80
GBPINR	91.74	89.67	2.31
JPYINR	65.57	65.74	-0.25

USDINR



Technical Outlook–

- On the Weekly Chart, an Inverted hammer pattern is formed
- Indicator RSI (14) will remain above 50 on Weekly Chart.
- 50EMA and 100EMA will be in bullish crossover.
- The near term trend shows Consolidation, going forwards it might remain in the range of 70.50-72.00

Support-Resistance

LTP	S1	S2	R1	R2
71.20	70.50	69.75	72.00	72.75

EURINR



Technical Outlook–

- On the Weekly Chart, long green candle is formed
- 50EMA and 100 EMA is in Bullish Crossover
- The momentum oscillator RSI (14) will move above 50 on weekly chart.
- The near term trend shows bullish signals; going forwards it would remain in the range of 78.50-80.00

Support-Resistance

LTP	S1	S2	R1	R2
79.32	78.50	77.50	80.00	80.75

GBPINR



Technical Outlook–

- On the Weekly chart, falling wedge pattern has shown a breakout.
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) may remain above 50.
- The short term trend looks towards breakout ; 90.00 would play as a major support during the week

Support-Resistance

LTP	S1	S2	R1	R2
91.74	90.75	90.00	93.00	94.00

JPYINR



Technical Outlook–

- On the Weekly chart, a shooting star pattern is formed
- 50EMA and 100EMA will be in bearish crossover.
- The momentum oscillator RSI (14) will move with a support near 50.
- The near term trend shows bearish signs; going forwards it would remain in the range of 65.00-66.50

Support-Resistance

LTP	S1	S2	R1	R2
65.57	64.75	64.00	66.25	67.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
22/10/2019	USD	Existing Home Sales (Sep)	5.45M	5.49M
23/10/2019	USD	Crude Oil Inventories		9.281M
24/10/2019	EUR	German Manufacturing PMI (Oct)	42.0	41.7
24/10/2019	EUR	Deposit Facility Rate (Oct)	-0.50%	-0.50%
24/10/2019	EUR	ECB Marginal Lending Facility		0.25%
24/10/2019	EUR	ECB Interest Rate Decision (Oct)	0.00%	0.00%
24/10/2019	USD	Core Durable Goods Orders (MoM) (Sep)	0.1%	0.5%
24/10/2019	USD	New Home Sales (Sep)	691K	713K
25/10/2019	EUR	German Ifo Business Climate Index (Oct)	94.5	94.6

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FOREIGN CURRENCY SEGMENT

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