

DATE: 24-08-2020

KEY HEADLINE

- The US Dollar Index looks set to break the losing jinx that has beset it for the past nine weeks, as it is well on its way to its first weekly gain in nine on the back of US Dollar demand. Demand for the greenback was restored after the FOMC minutes on Wednesday, and follow-up home sales and manufacturing PMI data released on Friday exceeded expectations, allowing the US Dollar to consolidate its gains for the week. Friday brought about broad-based USD strength on several currencies such as the British Pound and Canadian Dollar.
- The haven-associated Japanese Yen's sensitivity to volatility may buoy the under-fire currency in the coming weeks, if escalating geopolitical tensions and a stuttering global economic recovery notably sour market sentiment. The market's fear-gauge – the Volatility Index or VIX – has steadily drifted lower since peaking on March 18, as central bank's around the world injected an unprecedented amount of liquidity into the financial system in response to the novel coronavirus pandemic.
- Existing-home sales continued on a strong, upward trajectory in July, marking two consecutive months of significant sales gains, according to the National Association of Realtors®. Each of the four major regions attained double-digit, month-over-month increases, while the Northeast was the only region to show a year-over-year decline. Total existing-home sales, completed transactions that include single-family homes, townhomes, condominiums and co-ops, jumped 24.7% from June to a seasonally-adjusted annual rate of 5.86 million in July.
- More than 40 former Federal Reserve officials blasted President Donald Trump's nominee for a key central bank position, calling her views "extreme and ill-considered," and urging the Senate to reject her nomination. In a letter, the Fed alumni said the nominee, Judy Shelton, "has a decades-long record of writings and statements that call into question her fitness for a spot on the Fed's Board of Governors," citing her advocacy for a return to the gold standard and her questioning of the need for the central bank to even exist.

Currency pair

Currencies	21/08/2020	14/08/2020	Change (%)
USDINR	74.91	75.01	-0.13
EURINR	88.32	88.57	-0.28
GBPINR	98.45	98.27	0.18
JPYINR	70.88	70.32	0.80

USDINR



Technical Outlook–

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

Support-Resistance

LTP	S1	S2	R1	R2
74.91	74.20	73.40	75.70	76.50

RECOMMENDATION: BUY USDINR @ 75.50 SL 75.00 TARGET 76.50
SELL USDINR @ 74.50 SL 75.00 TARGET 73.50

EURINR



Technical Outlook–

- On the Weekly Chart, an Inverted hammer candlestick pattern is seen.
- Indicator RSI (14) will remain below 70 Level.
- The near term trend shows bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
88.32	87.25	86.00	89.25	90.50

RECOMMENDATION: SELL EURINR @ 88.50 SL 89.50 TARGET 86.50s

GBPINR



Technical Outlook–

- On the Weekly chart, a gravestone doji candlestick pattern is seen.
- The momentum oscillator RSI (14) will move near 50.
- The near term trend shows bearish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
98.45	97.25	96.00	99.75	101.00

RECOMMENDATION: SELL GBPINR @ 98.50 SL 99.75 TARGET 96.00

JPYINR



Technical Outlook–

- On the Weekly chart, a small green candle is seen.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation signs

Support-Resistance

LTP	S1	S2	R1	R2
70.88	70.15	69.40	71.60	72.30

RECOMMENDATION: BUY JPYINR @ 71.25 SL 70.75 TARGET 72.25

SELL JPYINR @ 70.50 SL 71.00 TARGET 69.50

Disclosure:

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