

DATE: 25-01-2021

KEY HEADLINE

- The US dollar rallied against all of the major currencies on Friday as stocks descended from their highs. Three days into the new administration and investors are starting to worry about President Biden's ability to pass a \$1.9 trillion stimulus package and administer 100 million vaccines in his first 100 days. The problem is that vaccine rollouts have been slow with many states have been hit by supply constraints.
- Fundamental Forecast for the US Dollar: Neutral The DXY Index closed lower on the week for the first time in 2021, but the losses were contained and offered little meaningful technical advance or decline. The upcoming US economic calendar is loaded with high rated event risk, as well as the January Fed meeting – which unfortunately might not bring much volatility. The IG Client Sentiment Index suggests the US Dollar is on mixed footing ahead of the January Fed meeting.
- The Euro-to-Dollar rate bucked a risk-averse mood in global markets on Friday to lead a Eurozone rally into the weekend even after the continent's coronavirus vaccination attempt was dealt another setback, although some analysts have warned this strong performance may not last and have urged caution. Euro exchange rates were all higher ahead of the weekend, leading the Euro turn from laggard to and outperformer among major currencies and in few other places was this improved fortune more obvious than in the Euro-to-Pound exchange rate which reversed sharply to the upside on Friday.
- U.S. manufacturing activity surged to its highest level in nearly 14 years in early January, but bottlenecks in the supply chain caused by the COVID-19 pandemic are driving up prices and signaling a rise in inflation in the months ahead. Other data on Friday showed an unexpected increase in sales of previously owned homes in December. Manufacturing and the housing market are helping to anchor the economy, which is being battered by a wave of coronavirus infections.

Currency pair

Currencies	22/01/2021	15/01/2021	Change (%)
USDINR	72.96	73.15	-0.26
EURINR	88.84	88.78	0.07
GBPINR	99.71	99.82	-0.11
JPYINR	70.39	70.57	-0.26

USDINR



Technical Outlook–

- On the Weekly Chart, it indicates a small red candle.
- Indicator RSI (14) will move near 30 on Weekly Chart.
- The near term trend shows Bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
72.96	72.25	71.50	73.75	74.50

RECOMMENDATION: SELL USDINR @ 73.00 SL 73.75 TARGET 71.50

EURINR



Technical Outlook-

- On the Weekly Chart, a small green candle is seen.
- Indicator RSI (14) will move near 50 Level.
- The near term trend shows a support near 88 levels..

Support-Resistance

LTP	S1	S2	R1	R2
88.84	87.75	86.50	89.75	91.00

RECOMMENDATION: BUY EURINR @ 89.50 SL 88.75 TARGET 91.00
SELL EURINR @ 88.00 SL 88.75 TARGET 86.50

GBPINR



Technical Outlook–

- On the Weekly chart, a small green candle is formed.
- The momentum oscillator RSI (14) will remain between 50 to 70 level.
- The near term trend shows Consolidation Signals.

Support-Resistance

LTP	S1	S2	R1	R2
99.71	98.50	97.25	101.00	102.25

RECOMMENDATION: BUY GBPINR @ 100.25 SL 99.25 TARGET 102.25
SELL GBPINR @ 99.25 SL 100.25 TARGET 97.25

JPYINR



Technical Outlook–

- On the Weekly chart, a rectangle formation is seen.
- The momentum oscillator RSI (14) will move near 50 levels.
- The near term trend shows bearish signs

Support-Resistance

LTP	S1	S2	R1	R2
70.39	69.70	69.00	71.20	72.00

RECOMMENDATION: BUY JPYINR @ 71.00 SL 70.50 TARGET 72.00

SELL JPYINR @ 70.00 SL 70.50 TARGET 69.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
26/01/2021	USD	CB Consumer Confidence	88.9	88.6
27/01/2021	USD	Federal Funds Rate	<0.25%	<0.25%
28/01/2021	USD	Advance GDP q/q	4.2%	33.4%
28/01/2021	USD	Advance GDP Price Index q/q	2.4%	3.5%
28/01/2021	USD	Unemployment Claims		900K
28/01/2021	USD	CB Leading Index m/m	0.2%	0.6%

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

Disclosure:

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