

DATE: 26-08-2019

KEY HEADLINE

- The dollar stumbled on Friday after President Donald Trump ordered U.S. companies to start looking for an alternative to China as Beijing imposed more tariffs on American goods, further exacerbating a prolonged trade war between the world's two largest economies. That triggered mass selling in the dollar, which fell from a three-week high against the euro and to one-week troughs versus the Japanese yen and Swiss franc. Benchmark U.S. 10-year Treasury yields also fell sharply. The dollar, however, strengthened against the Chinese yuan in the offshore market, hitting a two-week high.
- Argentine executives and graduates shocked by President Mauricio Macri's drubbing in elections this month have begun calling and emailing in droves in search of work in Brazil, Chile and Colombia, head hunters and visa advisers told Reuters. Executive search specialists say the resumes that have deluged their offices in those countries reached a peaked after Macri lost ground to a centre-left Peronist challenger in the Aug. 11 primary elections, causing the peso to plummet in value. Leftist Alberto Fernandez is now the front-runner ahead of an Oct. 27 general election and has said he will seek to renegotiate a \$57 billion loan International Monetary Fund deal agreed by Macri amid growing fears of a default.
- China's yuan hit an 11-year low in onshore trade and tumbled to a record low in offshore trade after a sharp re-escalation in the U.S.-China trade war whacked investor confidence and darkened the global economic outlook. The yen, often bought in times of uncertainty as a safe haven, pared early gains versus the dollar due to Japanese importers' selling, but remained firmer against other currencies in a sign of waning risk appetites. Gold prices leapt higher and benchmark Treasury yields hit their lowest since July 2016 as investors fled to safer assets.
- Pacific Investment Management Co is one of the investors embracing Danish mortgage-backed covered bonds, even as negative interest rates mean investors face built-in losses on some bonds, Bloomberg reported on Sunday. "We like the asset class," said Peder Beck-Friis, a portfolio manager and economist at Pimco in London, referring to the \$500 billion market. "We are overweight, as we have been for a long time. And that certainly hasn't changed now that some of them have turned negative in terms of yield."

Currency pair

Currencies	23/08/2019	16/08/2019	Change (%)
USDINR	71.72	71.20	0.73
EURINR	79.33	78.96	0.46
GBPINR	87.59	86.58	1.16
JPYINR	67.25	66.97	0.41

USDINR



Technical Outlook–

- On the Weekly Chart, an Inverted Hammer Pattern is formed.
- Indicator RSI (14) has crossed over 50 on Weekly Chart.
- 50EMA and 100EMA may be in bullish crossover.
- The near term trend looks in consolidation, going forwards it might remain in the range of 71.00 to 72.50

Support-Resistance

LTP	S1	S2	R1	R2
71.72	71.00	70.25	72.50	73.25

EURINR



Technical Outlook–

- On the Weekly Chart, a Bullish Harami pattern is formed
- 50EMA and 100 EMA may be in Bullish Crossover
- The momentum oscillator RSI (14) has entered in a bullish crossover.
- The short term trend looks towards consolidation; going forwards it would likely to move in range of 78.00-80.00

Support-Resistance

LTP	S1	S2	R1	R2
79.33	78.25	77.25	80.25	81.25

GBPINR



Technical Outlook–

- On the Weekly chart, a falling wedge pattern is in formation. Breakout is possible in the near term
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) may be in bullish crossover.
- The short term trend looks towards downward consolidation ; going forwards it would remain in the range of 87.50-85.50

Support-Resistance

LTP	S1	S2	R1	R2
87.59	86.50	85.50	88.50	89.50

JPYINR



Technical Outlook–

- On the Weekly chart, a small inverted hammer pattern is formed
- 50EMA and 100EMA may be in a bullish crossover.
- The momentum oscillator RSI (14) has entered in bullish crossover.
- The short term trend looks towards upward consolidation ; going forwards it would remain in the range of 67.25-68.75

Support-Resistance

LTP	S1	S2	R1	R2
67.25	66.50	65.75	68.00	68.75

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Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
26/08/2019	EUR	German Ifo Business Climate Index (Aug)	95.1	95.7
26/08/2019	USD	Core Durable Goods Orders (MoM) (Jul)	0.1%	1.0%
27/08/2019	EUR	German GDP (QoQ) (Q2)	-0.1%	-0.1%
27/08/2019	USD	CB Consumer Confidence (Aug)	130.0	135.7
28/08/2019	USD	Crude Oil Inventories	-1.889M	-2.700M
29/08/2019	EUR	German Unemployment Change (Aug)	3K	1K
29/08/2019	USD	GDP (QoQ) (Q2)	2.0%	2.1%
29/08/2019	USD	Pending Home Sales (MoM) (Jul)	0.1%	2.8%
30/08/2019	EUR	CPI (YoY) (Aug)	1.0%	1.0%

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FOREIGN CURRENCY SEGMENT

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