

DATE: 26-10-2020

## KEY HEADLINE

- The song seemingly remains the same as EU and UK trade negotiators resume talks with little concrete evidence that a deal between the two will be struck. However, the overall tone of the new talks is a lot more positive with the EU stating that they will intensify talks, including the legal texts, in order to give both sides the best chance of achieving a deal. British Pound (GBP) Latest – PMIs Warn of Q4 Slowdown, Brexit Talks Continue There were market reports later in the session that French President Emmanuel Macron maybe be willing to compromise over access to UK fishing waters in order to get a deal.
- Next week the ECB meets, and economists feel they will likely keep stimulus “unchanged” while they wait for staff projections at the December meeting. Meanwhile, the RBA recently suggested that they are ready to buy longer term bonds and provide more QE now. What does this potentially mean for EUR/AUD? The pair has been trading in a sideways channel since early June between 1.6033 and 1.6592, as it had pulled back from the overbought levels after the coronavirus outbreak In March. However, on Monday, the pair broke out and closed about the channel and right at the 200 Day Moving Average near 1.6635.
- Since COVID-19, we have seen a series of upside surprises in inflation data, notably in emerging markets and in food prices, that mostly reflect the major imbalances related to the pandemic and the global lockdown. However, we cannot rule out the risk of inflation overshooting in the coming years due to a sudden change in the regime shift. There is certainly no theme more important than inflation in the macroeconomic space right now.
- Spain will hold a special cabinet meeting on Sunday to discuss a new state of emergency after regions urged government action to allow them to impose curfews to help tackle its escalating COVID-19 outbreak. Ten of Spain’s 17 regions including Asturias, Castilla-La Mancha and the Basque Country had called on the government to decree a state of emergency, which would allow them to limit people’s movements. In a statement on Saturday the government said it had on Friday offered to convene the meeting.

## Currency pair

Currencies	23/10/2020	15/10/2020	Change (%)
USDINR	73.65	73.42	<b>0.31</b>
EURINR	87.22	86.06	<b>1.35</b>
GBPINR	96.23	94.71	<b>1.61</b>
JPYINR	70.30	69.74	<b>0.80</b>

# USDINR



## Technical Outlook–

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

## Support-Resistance

LTP	S1	S2	R1	R2
73.65	72.90	72.00	74.50	75.30

**RECOMMENDATION: BUY USDINR @ 74.25 SL 73.75 TARGET 75.25**  
**SELL USDINR @ 73.00 SL 73.50 TARGET 72.00**

# EURINR



## Technical Outlook–

- On the Weekly Chart, an Ascending Triangle pattern is seen.
- Indicator RSI (14) will move above 50 Level.
- The near term trend shows bullish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
<b>87.22</b>	<b>86.25</b>	<b>85.00</b>	<b>88.25</b>	<b>89.50</b>

**RECOMMENDATION: BUY EURINR @ 87.50 SL 86.50 TARGET 89.50**

# GBPINR



## Technical Outlook–

- On the Weekly chart, a large green candle is seen.
- The momentum oscillator RSI (14) will move above 50 level.
- The near term trend shows bullish Signals.

## Support-Resistance

LTP	S1	S2	R1	R2
96.23	95.00	93.75	97.50	98.75

**RECOMMENDATION: BUY GBPINR @ 96.75 SL 95.75 TARGET 98.75**  
**SELL GBPINR @ 95.75 SL 96.75 TARGET 93.75**

# JPYINR



## Technical Outlook–

- On the Weekly chart, a pennant candlestick pattern is seen.
- The momentum oscillator RSI (14) will remain below 50 levels.
- The near term trend shows consolidation signs

## Support-Resistance

LTP	S1	S2	R1	R2
70.30	69.50	68.75	71.00	71.75

**RECOMMENDATION: BUY JPYINR @ 70.75 SL 70.25 TARGET 71.75**

**SELL JPYINR @ 69.75 SL 70.25 TARGET 68.75**

## Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
26/10/2020	USD	New Home Sales	1025K	1011K
27/10/2020	USD	Core Durables Goods Orders m/m	0.4%	0.6%
27/10/2020	USD	Durable Goods Orders m/m	1.1%	0.5%
27/10/2020	USD	CB Consumer Confidence	101.9	101.8
29/10/2020	USD	Advance GDP q/q	32.0%	-31.4%
29/10/2020	USD	Advance GDP Price Index q/q	2.9%	-1.8%
29/10/2020	USD	Unemployment Claims		787K
29/10/2020	USD	Pending Home Sales m/m	3.6%	8.8%
30/10/2020	EUR	German Prelim GDP q/q	6.9%	-9.7%
30/10/2020	USD	Core PCE Price Index m/m	0.2%	0.3%
30/10/2020	USD	Personal Spending m/m	1.0%	1.0%
30/10/2020	USD	Chicago PMI	58.7	62.4
30/10/2020	USD	Revised UoM Consumer Sentiment	81.2	81.2

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FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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