

DATE: 20-01-2020

KEY HEADLINE

- The coronavirus transmission ability is getting stronger and infections could continue to rise, China's National Health Commission said on Sunday, with more than 2,000 people globally infected and 56 in China killed by the disease. National Health Commission Minister Ma Xiaowei, speaking at a press briefing, said authorities' knowledge of the new virus was limited and they are unclear on the risks posed by mutations of the virus. Ma said the incubation period for the coronavirus can range from one to 14 days, and that the virus is infectious during incubation, which was not the case with Severe Acute Respiratory Syndrome (SARS), a coronavirus that originated in China and killed nearly 800 people globally in 2002 and 2003. Containment efforts, which have thus far included transportation and travel curbs and the cancellation of big events, will be intensified, Ma told a crowded news briefing on the second day of the Lunar New Year holiday.
- USDJPY is sitting on a must-hold level for buyers. I mentioned this trend line on January 11th. It extends from the November 2018 high and connects with the April 2019 high as well as several highs last December. Despite breaking above this resistance area on January 13th, the USDJPY went nowhere fast. The lack of conviction was apparent given the paltry daily ranges and sideways movement that began on the 14th. Then came the selloff on the 21st. It was at this time that I mentioned to Daily Price Action members that a close back below this trend line would signal weakness.
- While gold is spiking higher and stocks are getting hammered lower after a weekend of ugly headlines surrounding the lethality and spread of the novel coronavirus, the Saudis are desperately talking down the crash in crude oil prices... Brent is back below \$60 and WTI has crashed to almost a \$51 handle... Saudi Arabia is "closely monitoring" the impact of the coronavirus outbreak on oil markets, but so far sees the crisis having a "very limited impact" on global demand, Energy Minister Prince Abdulaziz bin Salman says in a statement.
- Preliminary data show the scale at which the coronavirus outbreak is affecting the Chinese economy. At a special press conference on Sunday, Chinese officials indicated the disease will remain an issue for the near future. The immediate impact was visible in a drop in the flow of passengers. In an effort to prevent the virus from spreading, the government has encouraged people to stay at home, cancelled major public events and restricted travel for tens of millions.

Currency pair

Currencies	24/01/2020	17/01/2020	Change (%)
USDINR	71.34	71.14	0.28
EURINR	78.74	79.12	-0.48
GBPINR	93.37	92.80	0.61
JPYINR	65.08	64.66	0.65

USDINR



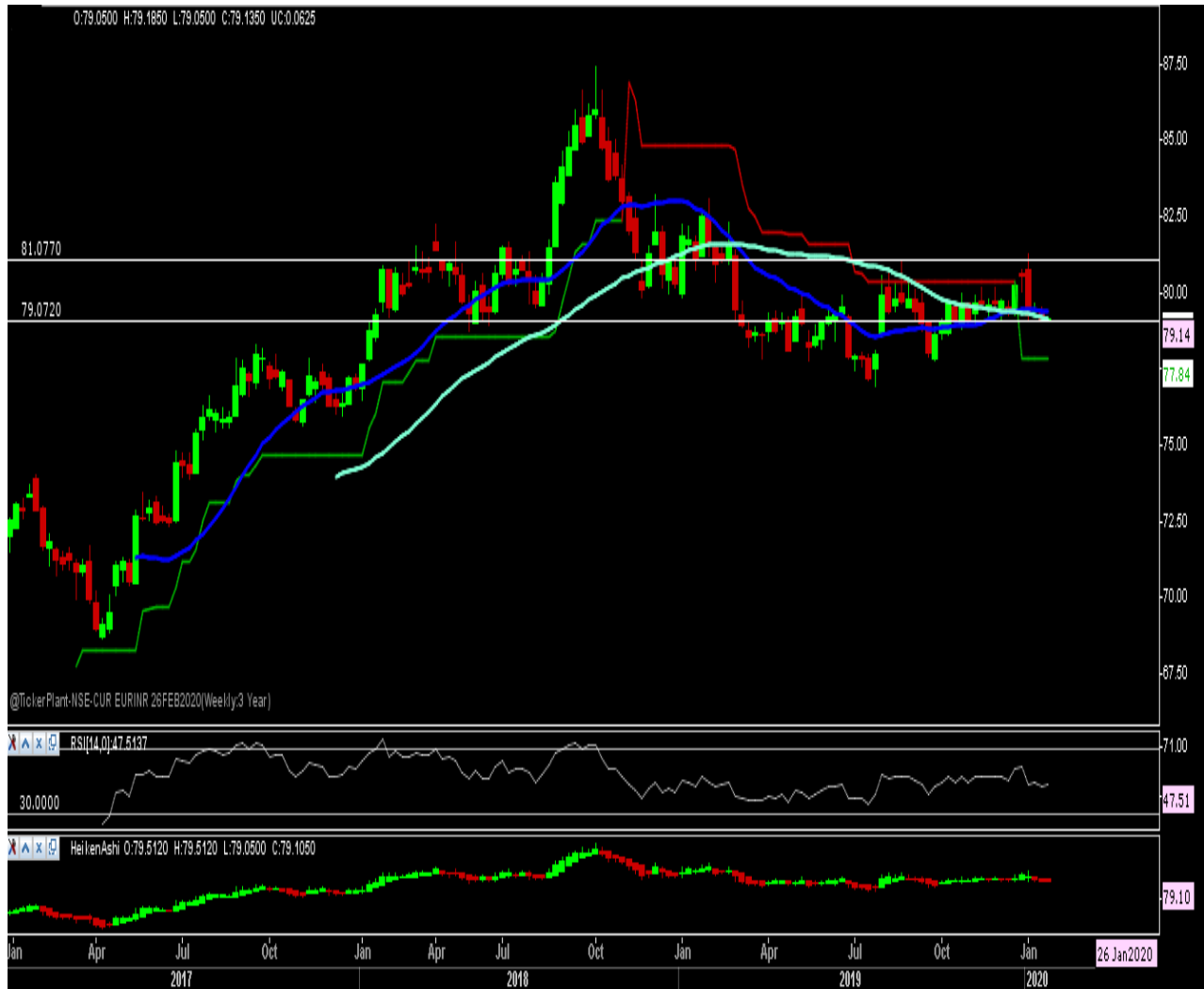
Technical Outlook–

- On the Weekly Chart, a small green candle 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 bullish signals, going forwards it might move towards 72.00 and above.

Support-Resistance

LTP	S1	S2	R1	R2
71.53	70.75	70.00	72.25	73.00

EURINR



Technical Outlook–

- On the Weekly Chart, a rectangle pattern is formed
- 50EMA and 100 EMA will be in Bullish Crossover
- The momentum oscillator RSI (14) will remain near 50 on weekly chart.
- The near term trend shows Consolidation; going forwards it might remain in the range of 78.50-81.00

Support-Resistance

LTP	S1	S2	R1	R2
79.07	78.00	77.25	79.75	81.00

GBPINR



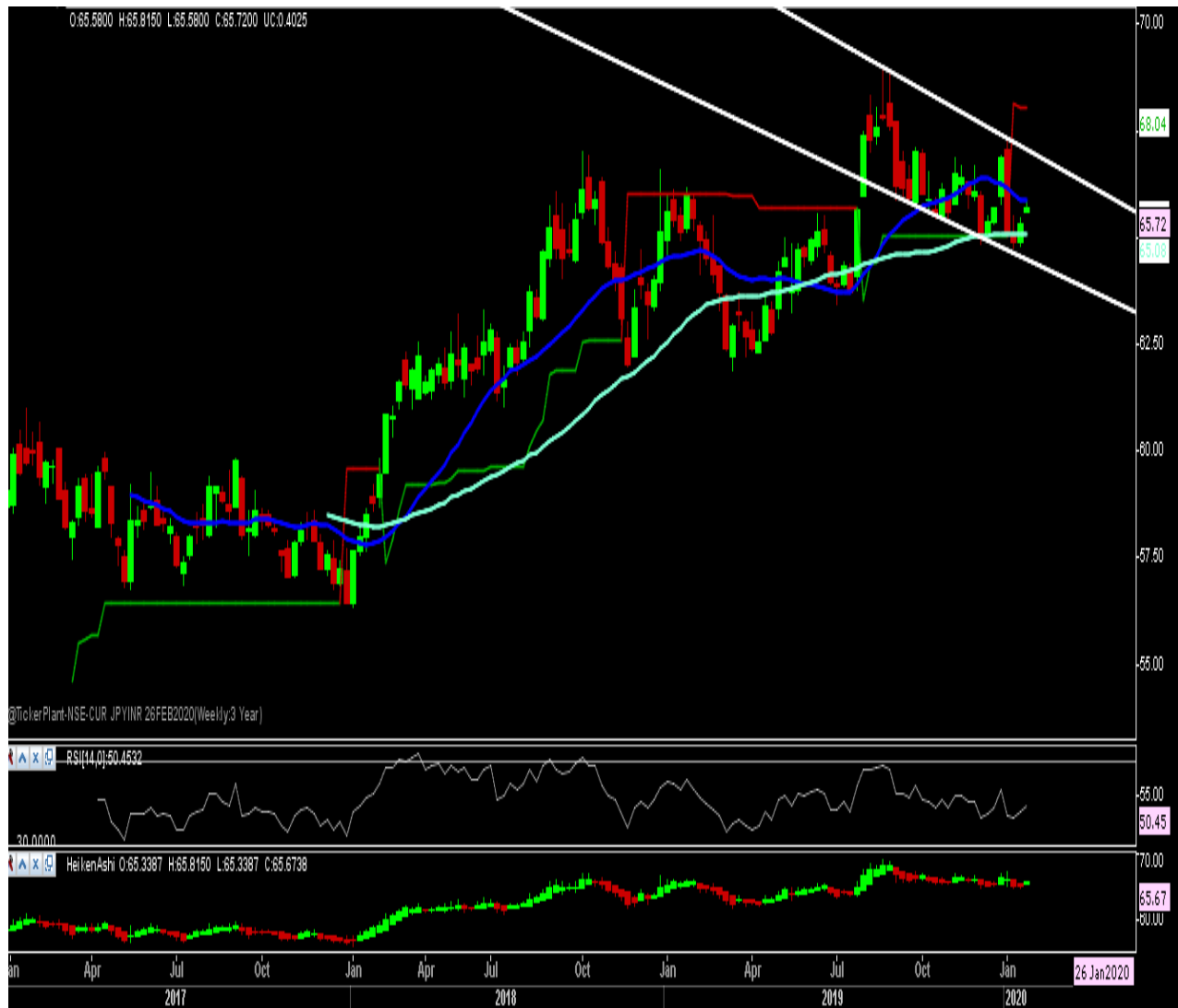
Technical Outlook–

- On the Weekly chart, a rising channel is formed.
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) will move above 50.
- The short term trend looks towards bullish; going forwards 95 would act as a strong resistance.

Support-Resistance

LTP	S1	S2	R1	R2
93.68	92.50	91.75	94.50	95.25

JPYINR



Technical Outlook–

- On the Weekly chart, a green candle is formed
- 50EMA and 100EMA will be in Bullish crossover.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows consolidation; going forwards it might remain in the range of 63.80-65.25

Support-Resistance

LTP	S1	S2	R1	R2
65.31	64.50	63.75	66.00	66.75

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
27/01/2020	EUR	German Ifo Business Climate	97.1	96.3
28/01/2020	EUR	Spanish Unemployment rate	14.0%	13.9%
28/01/2020	USD	Core Durables Goods Orders m/m	0.4%	-0.1%
28/01/2020	USD	CB Consumer Confidence	128.2	126.5
29/01/2020	USD	Crude Oil Inventories		-0.4M
30/01/2020	USD	Federal Funds Rate	<1.75%	<1.75%
30/01/2020	EUR	German Prelim CPI m/m	-0.6%	0.5%
30/01/2020	GBP	Official Bank Rate	0.75%	0.75%
30/01/2020	USD	Advance GDP q/q	2.2%	2.1%
31/01/2020	EUR	CPI Flash Estimate y/y	1.4%	1.3%
31/01/2020	USD	Core PCE Price Index m/m	0.1%	0.1%
31/01/2020	USD	Chicago PMI	49.0	48.9

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Miss Priyanka Shrimankar

Disclosure:

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