

DATE: 27-07-2020

## KEY HEADLINE

- The housing market started the year in great shape thanks to record employment, rising wages and low mortgage rates, but the Covid-19 pandemic soon sent the sector crashing. As the gravity of the situation became apparent, the fear for health and jobs and the turbulence in financial markets saw even seasoned buyers take flight with transactions pulled in significant numbers. Existing home sales fell 32% between February and May, taking them towards the lows experienced in the global financial crisis while new home sales proved to be only marginally more resilient, falling 25% between January and April.
- GBPUSD continues to rise above the Ichimoku cloud and the short-term SMAs, remaining near the six-week high of 1.2770, achieved earlier today. According to the RSI, positive momentum could push for further gains in the short-term as the indicator picks up steam above its 50 level. However, the MACD is flattening near its trigger line and negative corrections cannot be excluded. In the positive scenario, where the price continues to expand above today's high of 1.2770, a new top could be formed around 1.2815, taken from the high on June 10.
- U.S. Treasury Secretary Steven Mnuchin on Saturday said that the Trump administration supports extending enhanced unemployment benefits until the end of the year in the next round of coronavirus aid, albeit at a reduced level. The administration and the U.S. Congress have been trying to strike a deal on the next aid package as enhanced unemployment benefits of \$600 a week that Congress approved earlier in the pandemic expire on July 31. Mnuchin said he had spoken on Friday with top Democrat in Congress, House Speaker Nancy Pelosi, who has said she does not want a short-term extension of unemployment insurance.
- Euro is poised to mark a fifth consecutive weekly advance with EUR/USD up more than 1.4% since the Sunday open. The rally takes price into a multi-year Fibonacci resistance and while the broader outlook remains constructive, the immediate advance may be vulnerable near-term. These are the updated targets and invalidation levels that matter on the EUR/USD price charts heading into the close of the week. Review my latest Weekly Strategy Webinar for an in-depth breakdown of this Euro trade setup and more.

## Currency pair

Currencies	24/07/2020	17/07/2020	Change (%)
USDINR	74.85	75.06	<b>-0.28</b>
EURINR	86.68	85.77	<b>1.06</b>
GBPINR	95.37	94.20	<b>1.24</b>
JPYINR	70.36	70.06	<b>0.43</b>

# USDINR



## Technical Outlook–

- On the Weekly Chart, USDINR indicates an Inverted Hammer candlestick pattern.
- Indicator RSI (14) will remain near 50 on Weekly Chart.
- The near term trend shows Bearish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
74.85	74.10	73.30	75.60	76.30

**RECOMMENDATION: SELL USDINR @ 75.00 SL 75.75 TARGET 73.50**

# EURINR



## Technical Outlook–

- On the Weekly Chart, a large green candle is seen.
- Indicator RSI (14) will move near 70 Level.
- The near term trend shows bullish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
<b>86.68</b>	<b>85.75</b>	<b>84.50</b>	<b>87.75</b>	<b>89.00</b>

**RECOMMENDATION: BUY EURINR @ 87.50 SL 86.75 TARGET 89.00**  
**SELL EURINR @ 86.00 SL 86.75 TARGET 84.50**

# GBPINR



## Technical Outlook–

- On the Weekly chart, a small green candle has been formed.
- The momentum oscillator RSI (14) will move above 50.
- The near term trend shows consolidation Signals.

## Support-Resistance

LTP	S1	S2	R1	R2
95.37	94.25	93.00	96.50	97.75

**RECOMMENDATION: BUY GBPINR @ 96.00 SL 95.25 TARGET 97.50**  
**SELL GBPINR @ 94.50 SL 95.25 TARGET 93.00**

# JPYINR



## Technical Outlook–

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

## Support-Resistance

LTP	S1	S2	R1	R2
70.36	69.75	69.00	71.25	72.00

**RECOMMENDATION: SELL JPYINR @ 70.50 SL 71.25 TARGET 69.00**

## Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
27/07/2020	USD	Core Durables Goods Orders m/m	3.5%	3.7%
27/07/2020	USD	Durable Goods Orders m/m	7.0%	15.7%
28/07/2020	EUR	Spanish Unemployment Rate	16.7%	14.4%
28/07/2020	USD	CB Consumer Confidence	94.0	98.1
29/07/2020	USD	Pending Home Sales m/m	15.6%	44.3%
29/07/2020	USD	Crude Oil Inventories		4.9M
29/07/2020	USD	Federal Funds Rate	<0.25%	<0.25%
30/07/2020	EUR	German Prelim GDP q/q	-9.0%	-2.2%
30/07/2020	USD	Advance GDP q/q	-35.0%	-5.0%
30/07/2020	USD	Advance GDP Price Index q/q	0.1%	1.4%
30/07/2020	USD	Unemployment Claims	1450K	1416K
31/07/2020	USD	Core PCE Price Index m/m	0.2%	0.1%
31/07/2020	USD	Personal Spending m/m	5.3%	8.2%
31/07/2020	USD	Chicago PMI	44.5	36.6
31/07/2020	USD	Revised UoM Consumer Sentiment	72.7	73.2

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Miss Priyanka Shrimankar

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