

DATE: 29-06-2020

KEY HEADLINE

- Profits at China's big industrial firms increased in May for the first time since the coronavirus outbreak as China's economy shows signs of recovery. In May, the profits of industrial firms saw a year-on-year increase of 6 per cent, from a decrease of 4.3 per cent year-on-year in April, data from the National Bureau of Statistics (NBS) released on Sunday showed. Total profits in May reached 582.34 billion yuan (US\$82 billion).
- Choppy Euro price action Wednesday this week marks the start of a new month, a new quarter and a new half year, when market folklore suggests that asset managers such as hedge funds, pension funds and insurance companies rebalance their portfolios. While it is hard to know whether or not that is true, profit taking in assets that have outperformed and dip buying of those that have underperformed is forecast to result in larger than normal flows as investment managers make sure the balance in their portfolios is returned to where they would like it to be.
- It's tempting to take the recent rebound in business confidence and activity measures as a sign that the global economy is well on track to make up for its coronavirus-induced losses -- except it's misleading evidence. Here are some of the charts that appeared on Bloomberg this week, offering insight into the real state of the global economy: Purchasing managers' indexes from Asia, Europe and the U.S. are among indicators that have recorded impressive gains that look just like the V-shaped recovery many once spoke about.
- GBPUSD has been making tiny steps within the 1.2400 area in the four-hour chart over the past two days, sending an early warning that some volatility, or a more noticeable move, may soon emerge in the market. Technically, there are several reasons to believe that a downside correction is more likely to occur. First, the price hit a strong wall in the crossroads of a support-turned-resistance trendline and a downward-sloping trendline on Wednesday and instead drifted lower, keeping the downtrend started earlier this month intact.

Currency pair

Currencies	26/06/2020	19/06/2020	Change (%)
USDINR	75.82	76.25	-0.56
EURINR	85.14	85.37	-0.27
GBPINR	94.08	94.34	-0.28
JPYINR	70.97	71.32	-0.49

USDINR



Technical Outlook–

- On the Weekly Chart, USDINR indicates an Hanging Man candlestick pattern
- Indicator RSI (14) will move below 70 on Weekly Chart.
- The near term trend shows consolidation signals.

Support-Resistance

LTP	S1	S2	R1	R2
75.82	75.00	74.25	76.50	77.25

RECOMMENDATION: BUY USDINR @ 76.25 SL 75.75 TARGET 77.25
SELL USDINR @ 75.25 SL 75.75 TARGET 74.25

EURINR



Technical Outlook–

- On the Weekly Chart, an Hanging Man candlestick pattern is seen.
- Indicator RSI (14) will move below 70 Level.
- The near term trend shows bearish signals.

Support-Resistance

LTP	S1	S2	R1	R2
85.14	84.00	83.00	86.25	87.25

RECOMMENDATION: SELL EURINR @ 85.25 SL 86.25 TARGET 83.00

GBPINR



Technical Outlook–

- On the Weekly chart, a Shooting Star candlestick pattern has been formed.
- The momentum oscillator RSI (14) will remain near 50.
- The near term trend shows Bearish Signals.

Support-Resistance

LTP	S1	S2	R1	R2
94.08	92.75	91.75	95.25	96.25

RECOMMENDATION: SELL GBPINR @ 94.00 SL 95.25 TARGET 91.75

JPYINR



Technical Outlook–

- On the Weekly chart, an Hanging man candlestick pattern 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
70.97	70.25	69.50	71.75	72.50

RECOMMENDATION: BUY JPYINR @ 71.50 SL 71.00 TARGET 72.50

SELL JPYINR @ 70.50 SL 71.00 TARGET 69.50

Disclosure:

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