

DATE: 30-12-2019

KEY HEADLINE

- The last quarter of 2019 has been painful for yen bulls, but if history is any guide, good times may be just around the corner. January has proved to be a favorable month for Japan's currency, bringing gains against the dollar in seven of the last 10 years. Some Tokyo-based strategists expect a repeat in 2020. The case for a stronger yen is backed by a seasonal pattern that sees the greenback typically weaken at the start of the year as global investors sell their dollar holdings to make fresh investments overseas, according to Credit Agricole CIB.
- Federal Reserve projections show no interest-rate changes next year but the annual rotation among voters could still influence policy as incoming members include an outspoken dove while two hawks depart. Minneapolis Fed chief Neel Kashkari, who called vocally for rate cuts during 2019, is the clear dove among the four new voters. He joins alongside Robert Kaplan from Dallas, Philadelphia's Patrick Harker and Loretta Mester from Cleveland. Each of them, along with every other Fed official, forecast no change in rates in 2020 in the dot plot published on Dec. 11 -- a striking demonstration of unity as the country heads into a U.S. presidential election year.
- The Australian Dollar is on the cusp of a breakout to the upside on the charts, according to some analysts, although the outlook for the antipodean unit next year is cloaked in a shroud of uncertainty. Australia's Dollar is still on course to record narrow losses against the U.S. Dollar and Pound for 2019 but it's called a halt to simultaneous advances by the British and American currencies in recent weeks, which has led some to suggest the antipodean unit could be nearing a turning point. The Aussie is still down 14% relative to the U.S. Dollar since January 2018 when it traded around 0.81 although the Tuesday session saw the AUD/USD rate marked down just 1.8% for 2019. The pair has risen strongly since setting a new decade-low at the beginning of October but is currently being roadblocked on the charts by its early November high just beneath the 0.6930 level.
- Asia is a step ahead of other regions in developing central-bank digital currencies, with China, Hong Kong and Thailand set to roll out sovereign virtual tokens as a means of payment and to better monitor money flows. One thing these central banks have in common is that they are all planning to partner with commercial banks in rolling out their digital tokens. But China will for now limit their use to domestic retail payments, unlike Hong Kong and Thailand, which are exploring their use for cross-border payments in bilateral trade.

Currency pair

Currencies	27/12/2019	20/12/2019	Change (%)
USDINR	71.59	71.17	0.59
EURINR	79.93	79.01	1.16
GBPINR	93.66	92.85	0.87
JPYINR	65.45	65.12	0.51

USDINR



Technical Outlook–

- On the Weekly Chart, a Flag pattern is formed
- Indicator RSI (14) will move above 50 on Weekly Chart.
- 50EMA and 100EMA will be in bullish crossover.
- The near term trend shows breakout, going forwards it might move towards 71.75 and above.

Support-Resistance

LTP	S1	S2	R1	R2
71.59	71.00	70.40	72.20	73.00

EURINR



Technical Outlook–

- On the Weekly Chart, a flag pattern breakout is possible in near future
- 50EMA and 100 EMA will be in Bullish Crossover
- The momentum oscillator RSI (14) will move above 50 on weekly chart.
- The near term trend shows consolidation; going forwards it might move towards 81.00 and above.

Support-Resistance

LTP	S1	S2	R1	R2
79.93	79.25	78.50	81.00	81.75

GBPINR



Technical Outlook–

- On the Weekly chart, a hammer pattern is formed.
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) will remain below 70.
- The short term trend looks towards consolidation ; going forwards 95 would act as a strong resistance.

Support-Resistance

LTP	S1	S2	R1	R2
93.66	92.50	91.75	95.00	96.00

JPYINR



Technical Outlook–

- On the Weekly chart, a Bullish Harami pattern is formed
- 50EMA and 100EMA will be in Bullish crossover.
- The momentum oscillator RSI (14) will move above 50
- The near term trend shows Bullish signal; going forwards it would move towards 65.75 and above.

Support-Resistance

LTP	S1	S2	R1	R2
65.45	64.90	64.25	66.15	66.85

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