

DATE: 30-09-2019

KEY HEADLINE

- The U.S. dollar was flat on Friday after data showed that consumers spent less and companies cut their equipment orders in August. Consumer spending on goods and services rose 0.1% in August, while durable goods orders inched up 0.2% compared to a rise of 2% in July, according to separate reports from the Commerce Department. The numbers suggest that the economy is cooling after a strong acceleration in the second quarter, putting focus on next week's monthly jobs report. Federal Reserve officials cut interest rates by a quarter point for the second time in two months due to slowing growth in the global economy and worries about trade.
- It's no longer a probability, it's a reality: the escalating U.S.-China trade war and the strengthening dollar appear to be inflicting measurable damage on U.S. goods makers that rely on global markets. Market participants will get a picture of the extent to which trade tensions and currency have hurt U.S. manufacturers when the Institute for Supply Management (ISM) releases its purchasing managers index (PMI) for September on Tuesday. Its August report showed the manufacturing sector, which accounts for about 12% of the U.S. economy, contracting in for the first time in 3-1/2 years, and more worryingly, its export component hit a more than 10-year low.
- The euro fell to more than two-year lows against the U.S. dollar on Friday as a weak growth outlook weighed on the single currency, though it rebounded after testing technical support levels. Dismal business activity data from the euro area, especially powerhouse economy Germany, has pushed European bond yields lower across the board this week, with further pressure coming from concern over economic weakness in Britain. "We have had a steady drip of weak data from the euro zone this week and that is highlighting the differences between the U.S. and Europe," said Commerzbank analyst Thu Lan Nguyen, adding that the United States is still showing signs of strength.
- The European Union could speed up efforts to build an EU-wide capital market by creating euro denominated benchmarks for trading commodities, a new group backed by financial companies, former politicians and central bankers said on Friday. The EU launched its capital markets union (CMU) project in 2014 to encourage more companies to raise funds by issuing stocks and bonds to cut the region's reliance on bank loans. In the EU, companies are still heavy users of banks to get cash unlike in the United States where firms routinely tap the country's vast capital market to raise money by selling bonds or shares.

Currency pair

Currencies	27/09/2019	20/09/2019	Change (%)
USDINR	70.78	71.06	-0.39
EURINR	77.62	78.50	-1.12
GBPINR	87.19	88.86	-1.87
JPYINR	65.63	65.83	-0.30

USDINR



Technical Outlook–

- On the Weekly Chart, a Shooting Star pattern is formed
- Indicator RSI (14) will move near 50 on Weekly Chart.
- 50EMA and 100EMA will be in bearish crossover.
- The near term trend shows bearish signs, going forwards it might move towards 70.00 and below.

Support-Resistance

LTP	S1	S2	R1	R2
70.78	70.00	69.25	71.50	72.25

EURINR



Technical Outlook–

- On the Weekly Chart, Falling pattern is in formation
- 50EMA and 100 EMA is in Bearish Crossover
- The momentum oscillator RSI (14) will remain below 50 on weekly chart.
- The near term trend shows bearish signals; going forwards it would move towards 76.50 and below

Support-Resistance

LTP	S1	S2	R1	R2
77.62	76.50	75.50	78.50	79.50

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GBPINR



Technical Outlook–

- On the Weekly chart, a falling wedge pattern is in formation. A large candle is formed leading to consolidation pattern in the falling wedge pattern.
- 50EMA and 100EMA are showing bearish crossover on the weekly charts.
- The momentum oscillator RSI (14) may be in bearish crossover.
- The short term trend looks towards breakdown ; 86.00 would play as a major support during the week

Support-Resistance

LTP	S1	S2	R1	R2
87.19	86.00	85.00	88.50	89.50

JPYINR



Technical Outlook–

- On the Weekly chart, a small red candle is formed
- 50EMA and 100EMA will be in bearish crossover.
- The momentum oscillator RSI (14) will move with a support near 50.
- The near term trend shows bullish signs; going forwards it would remain in the range of 64.75-66.25

Support-Resistance

LTP	S1	S2	R1	R2
65.63	64.75	64.00	66.25	67.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
30/09/2019	EUR	German Unemployment change (Sep)	5K	4K
30/09/2019	GBP	GDP (QoQ) (Q2)	-0.2%	-0.2%
30/09/2019	GBP	GDP (YoY) (Q2)	1.2%	1.2%
01/10/2019	EUR	German Manufacturing PMI (Sep)	41.4	41.4
01/10/2019	GBP	Manufacturing PMI (Sep)	47.0	47.4
01/10/2019	EUR	CPI (YoY) (Sep)	1.0%	1.0%
01/10/2019	USD	ISM Manufacturing PMI (Sep)	50.1	49.1
02/10/2019	GBP	Construction PMI (Sep)	44.9	45.0
02/10/2019	USD	ADP Nonfarm Employment Change (Sep)	140K	195K
02/10/2019	USD	Crude Oil Inventories		2.412M
03/10/2019	GBP	Composite PMI (Sep)		50.2
03/10/2019	GBP	Services PMI (Sep)	50.3	50.6
03/10/2019	USD	ISM Non-Manufacturing PMI (Sep)	55.0	56.4
04/10/2019	INR	Interest Rate Decision		5.40%
04/10/2019	USD	Nonfarm Payrolls (Sep)	145K	130K
04/10/2019	USD	Unemployment Rate(Sep)	3.7%	3.7%

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FOREIGN CURRENCY SEGMENT

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