

DATE: 31-08-2020

## KEY HEADLINE

- In the build up to Fed chair Powell's speech, the chatter was whether the Fed would meet the market's dovish expectations. Reaction in the wake of the announcement was one of uncertainty, with significant swings across major forex. However, coming into today's session there is a sense of risk positive and dollar negative forces playing out. The crux of Powell's speech is that the Fed will be on hold with ultra-loose monetary policy for some time to come.
- America's labor market probably extended its rebound in August to push the unemployment rate below 10% for the first time since the pandemic struck. With little more than two months before the U.S. election, reattaining that milestone in this week's jobs report could provide ammunition for President Donald Trump to claim the economy is sustaining a recovery under his leadership. His Democratic opponents, led by Joe Biden, are likely to question whether such improvement can durably continue as America struggles to control the coronavirus.
- GBPJPY is gaining ground, currently striving to close above 140.82 to clearly resume the climb. The steady incline is also sponsored by the progressing Ichimoku lines and the advancing 50- and 100-day simple moving averages (SMAs). Additionally, an approaching bullish crossover of the 200-day SMA by the 50-day one may fortify the positive outlook. The short-term oscillators further support an improving picture. The MACD, some distance in the positive area, is above its red signal line, while the RSI is pushing to climb above the 70 mark.
- An updated export rule from China could jeopardize the sale of TikTok's U.S. operations, according to reports published Saturday in The Wall Street Journal and The New York Times. According to the reports, China updated its export control rules to incorporate technology that could include TikTok, a claim later reasserted by commentary published in China's state-controlled Xinhua news agency on Saturday.

## Currency pair

Currencies	28/08/2020	21/08/2020	Change (%)
USDINR	73.50	74.91	<b>-1.88</b>
EURINR	87.54	88.32	<b>-0.88</b>
GBPINR	97.78	98.45	<b>-0.68</b>
JPYINR	69.78	70.88	<b>-1.55</b>

# USDINR



## Technical Outlook–

- On the Weekly Chart, USDINR indicates a large red candle.
- Indicator RSI (14) will move to 30 on Weekly Chart.
- The near term trend shows bearish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
73.50	72.75	72.00	74.25	75.00

**RECOMMENDATION: SELL USDINR @ 73.50 SL 74.25 TARGET 72.00**

# EURINR



## Technical Outlook–

- On the Weekly Chart, a small red candle is seen.
- Indicator RSI (14) will move to 50 Level.
- The near term trend shows bearish signals.

## Support-Resistance

LTP	S1	S2	R1	R2
<b>87.54</b>	<b>86.50</b>	<b>85.25</b>	<b>88.50</b>	<b>89.75</b>

**RECOMMENDATION: BUY EURINR @ 88.00 SL 87.25 TARGET 89.50**  
**SELL EURINR @ 87.00 SL 87.75 TARGET 85.50**

# GBPINR



## Technical Outlook–

- On the Weekly chart, a small red candle is seen.
- The momentum oscillator RSI (14) will move near 50.
- The near term trend shows bearish Signals.

## Support-Resistance

LTP	S1	S2	R1	R2
97.78	96.50	95.25	99.00	100.25

**RECOMMENDATION: BUY GBPINR @ 98.25 SL 97.25 TARGET 100.25**  
**SELL GBPINR @ 98.50 SL 99.75 TARGET 96.00**

# JPYINR



## Technical Outlook–

- On the Weekly chart, a large red candle is seen.
- The momentum oscillator RSI (14) will remain near 50
- The near term trend shows bearish signs

## Support-Resistance

LTP	S1	S2	R1	R2
69.78	69.00	68.25	70.50	71.25

**RECOMMENDATION: SELL JPYINR @ 69.75 SL 70.50 TARGET 68.25**



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