

# Currency Highlights

21<sup>st</sup> August-2019



The dollar was little changed in early trading in Europe Wednesday but starting to build momentum against the euro at the start of a day where politics is likely to dominate economics.

Euro to Pound Exchange Rate Gains as Sterling Tumbles from Rebound Speculation that Germany's government and the European Central Bank (ECB) could take efforts to head off a potential German recession had a mixed impact on the Euro to Pound Sterling (EUR/GBP) exchange rate to climb today.

Donald Trump has blamed the stubbornly strong dollar on the Federal Reserve's reluctance to slash interest rates further. But real yields suggest investors fearful of the president's trade war are what's keeping the greenback strong.

The downturn in British manufacturing eased off a little in August, although the slowdown in the global economy and the Brexit crisis mean a recovery still looks a way off, a survey showed on Tuesday.

Japanese manufacturers turned pessimistic about business prospects for the first time in more than six years in August as the specter of a global downturn looms large amid the escalating Sino-U.S. trade war.

SPOT	Close	Prv. Close	Change	% Change
USDINR	71.689	71.451	0.238	0.33
EURINR	79.424	79.27	0.154	0.19
GBPINR	86.632	86.72	-0.088	-0.10
JPYINR	67.43	67.09	0.34	0.51
DXY	98.282	98.102	0.18	0.18

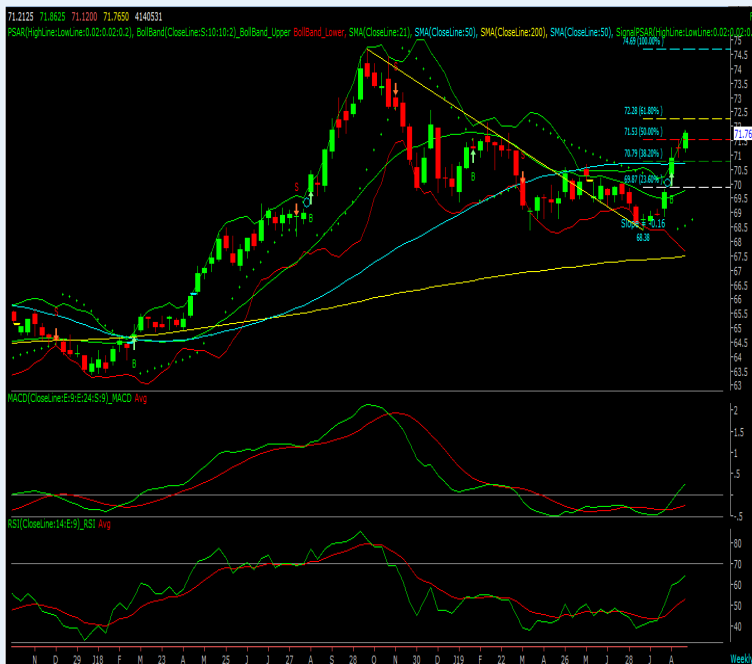
Cross Currency	Close	Prv. Close	Change	% Change
EURUSD	1.1079	1.1095	-0.0016	-0.14
GBPUSD	1.2072	1.2138	-0.0066	-0.54
USDJPY	106.31	106.54	-0.2300	-0.22
EURGBP	0.9173	0.9142	0.0031	0.34
AUDUSD	0.6775	0.6774	0.0001	0.01

Global Indices	Home Currency	Close	Previous Close	Change	% Change
Nifty	INR	11017.00	11053.90	-36.90	-0.33
Dow Jones	USD	25962.44	26135.79	-173.35	-0.66
DAX	EUR	11651.18	11715.37	-64.19	-0.55
FTSE 100	GBP	7125.00	7189.65	-64.65	-0.90
NIKKEI	JPY	20596.92	20642.72	-45.80	-0.22

RBI Reference Rate	19/08/2019	16/08/2019
USD	71.3419	71.2872
GBP	86.8026	86.3269
EUR	79.1386	79.1468
JPY	67.05	67.17

Interest Rate Future (Underlying)	Price	Yield
768GS2023	104.8000	6.3864
717GS2028	102.8600	6.7165
726GS2029	104.6500	6.5871
668GS2031	98.3000	6.888

## USDINR



### Technical View:

USDINR has gained almost 0.35% during the Tuesday session and closed at higher levels.

On a weekly timeframe, pair has shifted above 50% Retracement levels and traded near to upper Bollinger band formation.

Moreover, pair has moved above 21\*50 weeks SMA, which support the bullish trend.

Furthermore, a momentum indicator RSI (14) and MACD is in bullish mode with positive crossover.

Hence, we expect upside move in USDINR future towards 72.20 level.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	71.15	71.44	71.60	71.73	71.89	72.02	72.32
JPYINR	66.36	66.88	67.18	67.39	67.69	67.91	68.42

## JPYINR



### Technical View:

JPYINR has increased more than half percent during the Tuesday session and managed to sustained above 67 levels.

On a weekly scale, pair has been moving in Rising Channel but still facing a resistance of upper Bollinger Band formation.

Moreover, pair has settled above 50 days Simple Moving Averages.

Additionally, a momentum indicator RSI (14) and MACD has shown positive crossover, which may support the buying trend.

So based on the above mixed technical structure, we expect further upside in JPYINR future towards 67.85 level.

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## GBPINR



### Technical View:

GBPINR has traded in both way during the Tuesday session and closed the day at flat note.

On the daily chart, pair has been facing a resistance at Falling Trendline and upper Bollinger Band formation, which may keep the prices downward.

Moreover, pair has traded below 200 days EMA and SMA, which indicates bearish trend in the counter.

So based on the above technical structure we expect bearish move towards 86.10 level.

## EURINR



### Technical View:

EURINR were slightly positive during the Tuesday session and closed at flat note.

On the daily chart, pair has formed Flag pattern, which is a continuation formation and indicates bullish strength for near term.

Moreover, pair has moved above 200 days SMA, which indicates that trend may remain bullish for long term.

On the basis of above technical formation we expect bullish movement in the Pair towards 79.95 level.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
EURINR	79.02	79.28	79.42	79.55	79.69	79.81	80.08
GBPINR	85.81	86.28	86.46	86.74	86.92	87.21	97.88

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## Economic Indicators

Time	Currency	Data	Prior	Expected	Impact
07:30AM	USD	Existing Home Sales	5.27M	5.41M	'Actual' greater than 'Forecast' is good for currency;
08:00PM	USD	Crude Oil Inventories	1.6M	-1.4M	'Actual' less than 'Forecast' is good for currency;
11:30PM	USD	FOMC Meeting Minutes			More hawkish than expected is good for currency;

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