

CURRENCY OUTLOOK

FUNDAMENTALS OF CURRENCY:

- The U.S. dollar rose across the board to hit a four-week high against a basket of currencies on Friday, as data showing the COVID-19 pandemic's continuing toll on the economy boosted demand for the safe-haven currency. U.S. retail sales fell for a third straight month in December amid job losses and renewed measures to slow the spread of COVID-19. Weak data dragged U.S. Treasury yields lower and U.S. stocks fell as investors turned more risk-averse on Friday.
- The Euro was carrying its largest weekly loss for nearly three months on Friday after capitulating previously at what were new multi-year highs for the trade-weighted single currency, only now the Euro-to-Dollar rate may need a rally from either the Pound or Chinese Yuan to sustain a meaningful recovery. Meanwhile, the other factors for weakness in the Euro includes prolonged 'lockdown,' a slower pace of vaccination and political uncertainty in Italy, although if *European Central Bank* (ECB) concerns about currency strength weren't also in the mix they almost certainly will be upon any eventual rebound by the Euro-to-Dollar rate.
- Looking ahead to next week, while the UK's vaccine rollout has been helped underpin GBP despite the elevated number of virus cases, market sentiment will likely remain the key driver in the short term for the currency. Domestic data will be worth watching and particularly the UK PMIs, which provides a more timely update regarding the UK economy. Although, with the services sector likely to remain in contractionary territory, eyes will be on the manufacturing sector, which will be the first look at business sentiment post-Brexit.

RBI REFERENCE RATE

| INDEX | CLOSE | PREV. CLOSE | CHANGE IN % |
|--------|---------|-------------|-------------|
| USDINR | 73.1226 | 73.1546 | -0.04 |
| GBPINR | 99.7241 | 100.064 | -0.34 |
| EURINR | 88.8669 | 89.3471 | -0.54 |
| JPYINR | 70.29 | 70.55 | -0.37 |

FII FIGURES

| DATE | EQUITY | BOND |
|--------|---------|----------|
| 15-JAN | 971.06 | |
| 14-JAN | 1076.62 | -329.22 |
| 13-JAN | 1879.06 | -202.25 |
| 12-JAN | 571.47 | -1330.56 |
| 11-JAN | 3138.9 | -1493.62 |
| NET | 7637.11 | -3355.65 |

U S DOLLAR INDEX



USDINR TECHNICAL CHART



Technical indicators (Daily):

- RSI- 45.6903
- MACD- 0.2922
- MOVING AVERAGES (20,50,100)-
(74.0949/73.8729/74.0757)

WEEKLY PIVOT LEVELS

| S3 | S2 | S1 | PIVOT | R1 | R2 | R3 |
|-------|-------|-------|-------|-------|-------|-------|
| 74.10 | 73.88 | 73.50 | 73.28 | 72.91 | 72.68 | 72.31 |

Pivot levels for Domestic Currencies

| PAIR | R2 | R1 | P | S1 | S2 |
|--------|--------|--------|-------|-------|-------|
| USDINR | 73.88 | 73.50 | 73.28 | 72.91 | 72.68 |
| EURINR | 90.04 | 89.41 | 89.08 | 88.46 | 88.12 |
| GBPINR | 100.96 | 100.38 | 99.79 | 99.21 | 98.62 |
| JPYINR | 71.07 | 70.82 | 70.55 | 70.30 | 70.03 |

Pivot levels for Global Currencies

| PAIR | R2 | R1 | P | S1 | S2 |
|--------|----------|----------|----------|----------|----------|
| EURUSD | 1.2298 | 1.2220 | 1.2172 | 1.2094 | 1.2046 |
| GBPUSD | 1.3818 | 1.3734 | 1.3609 | 1.3525 | 1.3400 |
| USDJPY | 104.7933 | 104.2267 | 103.9333 | 103.3667 | 103.0733 |

Currency Majors

| CURRENCY | FXMAJORS | CLOSEPRICE | DAY | WEEK | MONTHLY | YTD |
|--------------------|----------|------------|--------|--------|---------|--------|
| EURO | EURUSD | 1.2075 | -0.63% | -1.19% | -0.96% | -1.16% |
| POUND | GBPUSD | 1.35718 | -0.82% | 0.08% | 0.53% | -0.74% |
| AUSTRALIAN DOLLAR | AUDUSD | 0.77073 | -0.86% | -0.69% | 1.83% | -0.01% |
| YEN | USDJPY | 103.87 | 0.03% | -0.08% | 0.38% | 0.60% |
| YUAN | USDCNY | 6.48383 | 0.27% | 0.30% | -0.40% | -0.29% |
| SWISS FRANC | USDCHF | 0.89043 | 0.25% | 0.57% | 0.55% | 0.61% |
| CANADIAN DOLLAR | USDCAD | 1.27209 | 0.59% | 0.26% | -0.20% | -0.10% |
| MEXICO PESO | USDMXN | 19.7821 | 0.31% | -0.98% | -0.43% | -0.59% |
| INDIAN RUPEE | USDINR | 73.12 | 0.07% | -0.29% | -0.69% | 0.11% |
| BRAZILIAN REAL | USDBRL | 5.3032 | 2.05% | -2.12% | 4.32% | 2.11% |
| RUSSIAN RUBBLE | USDRUB | 73.6062 | 0.54% | -0.74% | 0.37% | -0.62% |
| DOLLAR INDEX | DXY | 90.788 | 0.61% | 0.77% | 0.37% | 0.95% |
| KOREAN WON | USDKRW | 1,100.81 | 0.68% | 0.99% | 0.91% | 1.54% |
| SOUTH AFRICAN RAND | USDZAR | 15.2186 | 0.99% | -0.43% | 2.74% | 3.61% |
| SINGAPORE DOLLAR | USDSGD | 1.32819 | 0.30% | 0.23% | -0.07% | 0.46% |
| HONGKONG DOLLAR | USDHKD | 7.75362 | 0.00% | -0.04% | 0.02% | 0.01% |

COMMODITY MARKET OUTLOOK

Pivot levels for MCX Bullion:

| COMMODITY | R3 | R2 | R1 | P | S1 | S2 | S3 |
|---------------|-------|-------|-------|-------|-------|-------|-------|
| GOLD | 50369 | 49969 | 49336 | 48936 | 48303 | 47903 | 47270 |
| SILVER | 69929 | 68389 | 66684 | 65144 | 63439 | 61899 | 60194 |

Pivot levels for MCX Energy:

| COMMODITY | R3 | R2 | R1 | P | S1 | S2 | S3 |
|--------------------|-------|-------|-------|-------|-------|-------|-------|
| CRUDEOIL | 4116 | 4037 | 3940 | 3861 | 3764 | 3685 | 3588 |
| NATURAL GAS | 234.0 | 223.4 | 211.8 | 201.2 | 189.6 | 179.0 | 167.4 |

Pivot levels for MCX Metals:

| COMMODITY | R3 | R2 | R1 | P | S1 | S2 | S3 |
|------------------|--------|--------|--------|--------|--------|--------|--------|
| ALUMINIUM | 167.3 | 166.2 | 164.2 | 163.1 | 161.1 | 160.0 | 158.0 |
| NICKEL | 1436.5 | 1385.6 | 1350.3 | 1299.4 | 1264.1 | 1213.2 | 1177.9 |
| ZINC | 226.2 | 223.6 | 218.4 | 215.8 | 210.6 | 208.0 | 202.8 |
| COPPER | 628.1 | 622.6 | 613.8 | 608.3 | 599.5 | 594.0 | 585.2 |
| LEAD | 182.0 | 174.6 | 170.0 | 162.6 | 158.0 | 150.6 | 146.0 |

FUNDAMENTALS OF COMMODITY:

- It's another week of lost luster for gold at the expense of a charging dollar whose strength could barely be explained with the currency debasement expected from President-elect Joe Biden's proposed \$2 trillion coronavirus stimulus U.S. markets swirled in a sea of red toward Friday's close from woeful December numbers for everything from retail sales to producer price index, manufacturing and consumer sentiment. Joining the doleful party was gold, which was supposed to be the "safe-haven" — or hedge or panacea, whatever you called it — from this.
- Oil prices fell the most in a month on Friday, tumbling more than 2%, after concerns over Covid-19 lockdowns in top crude destination China hit a market that resisted for weeks worries about piling fuel stockpiles at home. A resurgence in the dollar, the currency on which oil trades, also made buying of the commodity less competitive for holders of the euro and other change — indirectly hitting demand for crude.
- Copper prices fell on Thursday, as a stronger dollar buoyed by stimulus hopes and higher U.S. yields made greenback-priced metals more expensive to holders of other currencies. The dollar extended its rebound from near three-year lows against major peers, supported by higher U.S. yields, as President-elect Joe Biden prepared to outline his plans for massive fiscal stimulus.

Source: Investing.com

Commodity Majors

| COMMODITY | PRICE | DAY | WEEKLY | MONTHLY | YTD |
|-------------|----------|--------|--------|---------|--------|
| CRUDE OIL | 52.04 | -2.86% | -0.38% | 8.82% | 7.25% |
| BRENT | 54.81 | -2.84% | -2.11% | 7.30% | 5.81% |
| NATURAL GAS | 2.75 | 3.26% | 1.85% | 2.73% | 8.31% |
| GOLD | 1827.64 | -1.01% | -1.12% | -1.96% | -3.63% |
| SILVER | 24.736 | -3.11% | -2.50% | -2.37% | -6.16% |
| PLATINUM | 1073.26 | -4.02% | 0.81% | 3.76% | 0.69% |
| PALLADIUM | 2383.07 | -1.07% | 0.55% | 2.43% | -2.64% |
| COPPER | 3.6015 | -1.72% | -2.39% | 1.32% | 2.37% |
| LEAD | 1979.15 | -1.66% | -0.08% | -3.61% | 0.17% |
| ALUMINIUM | 1983.25 | -1.07% | -1.66% | -2.29% | 0.13% |
| TIN | 21122.5 | 0.23% | 0.36% | 6.09% | 3.97% |
| ZINC | 2684.25 | -2.51% | -4.10% | -4.79% | -2.43% |
| NICKEL | 17971.25 | -1.50% | 2.03% | 3.56% | 8.56% |

MCX GOLD CHART



Technical indicators (Daily):

- RSI- 40.29
- MACD- -304.84
- MOVING AVERAGES (20,50,100)-
(50037/49767/50329)

WEEKLY PIVOT LEVELS

| S3 | S2 | S1 | PIVOT | R1 | R2 | R3 |
|-------|-------|-------|-------|-------|-------|-------|
| 50369 | 49969 | 49336 | 48936 | 48303 | 47903 | 47270 |

MCX CRUDE OIL CHART



Technical indicators (Daily):

- RSI- 67.53
- MACD- 147.75
- MOVING AVERAGES (20,50,100)- (3656/3427/3171)

WEEKLY PIVOT LEVELS

| S3 | S2 | S1 | PIVOT | R1 | R2 | R3 |
|------|------|------|-------|------|------|------|
| 4116 | 4037 | 3940 | 3861 | 3764 | 3685 | 3588 |

MCX COPPER CHART



Technical indicators (Daily):

- RSI- 51.34
- MACD- 5.97
- MOVING AVERAGES (20,50,100) -(609/585/557)

WEEKLY PIVOT LEVELS

| S3 | S2 | S1 | PIVOT | R1 | R2 | R3 |
|-------|-------|-------|-------|-------|-------|-------|
| 628.1 | 622.6 | 613.8 | 608.3 | 599.5 | 594.0 | 585.2 |

UPCOMING ECONOMIC EVENTS

| DATE | TIME | COUNTRY | DATA | FORECAST | PREVIOUS |
|-------------------|-----------|---------|--------------------------------|----------|----------|
| Mon Jan 18 | All Day | USD | Bank Holiday | | |
| Wed Jan 20 | Tentative | USD | President-Elect Biden Speaks | | |
| Thu Jan 21 | 7:00pm | USD | Philly Fed Manufacturing Index | 12.2 | 11.1 |
| | | USD | Unemployment Claims | 832K | 965K |
| Fri Jan 22 | 8:15pm | USD | Flash Manufacturing PMI | 56.6 | 57.1 |
| | 9:00pm | USD | Natural Gas Storage | | -134B |
| | 9:30pm | USD | Crude Oil Inventories | | -3.2M |

DISCLAIMER:

January 18, 2021 Weekly Currency and Commodity Levels



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