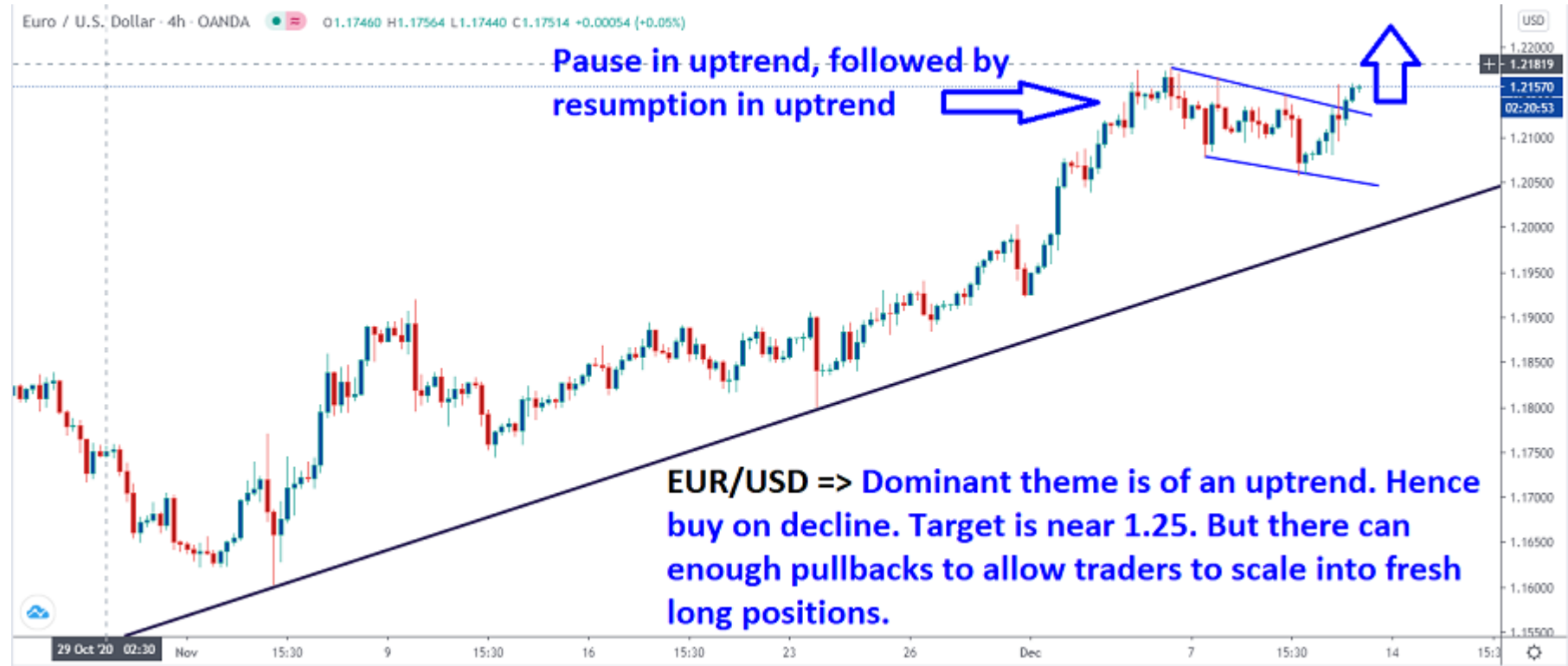




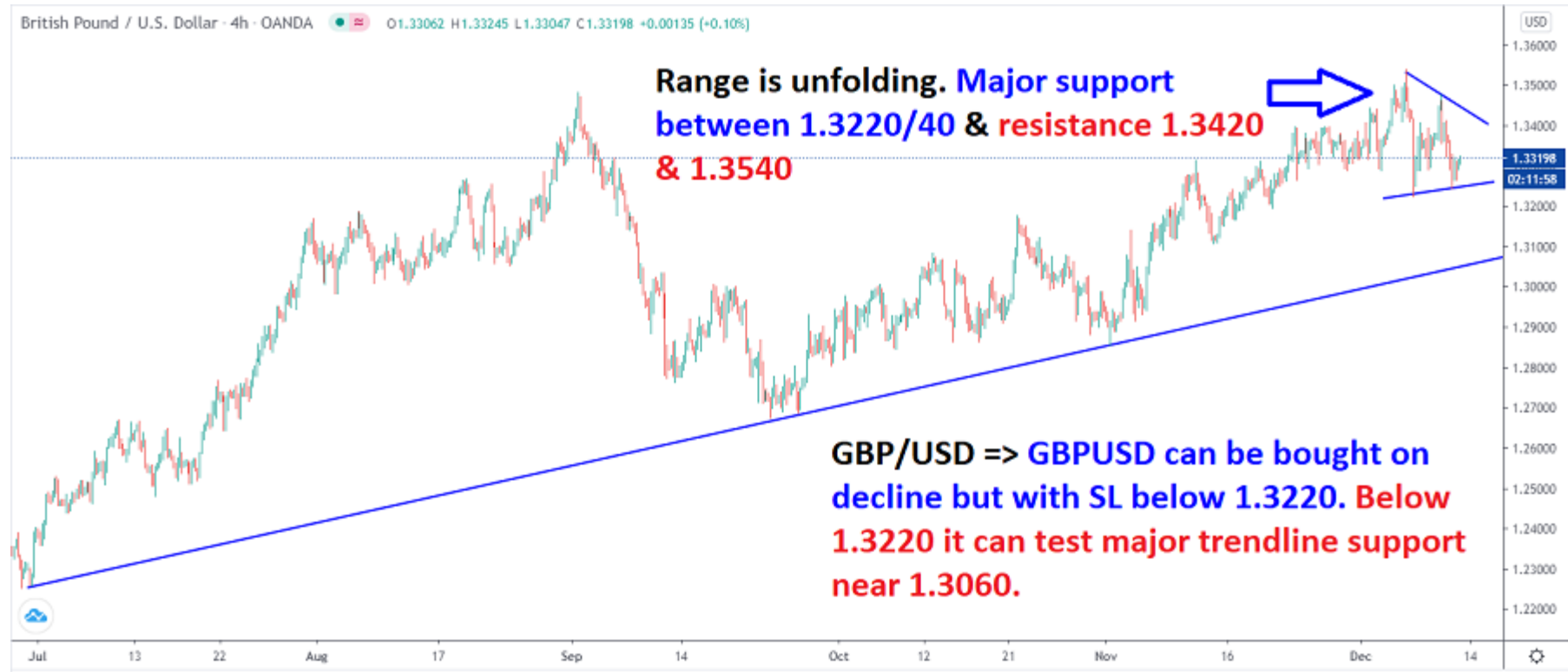
***FX INSIGHT- “Euro is strong but GBP is stuck”***

# EURO



1. ECB has taken several steps to ensure Eurozone economy remains well oiled and supported during COVID crises. Two noteworthy steps are: (i) increase size of asset purchase by 500 billion euros to be done at least till March 2022 (ii) extended TLTROs till June 2022. It is positive for Euro.
2. For positional trade, EUR/INR remains a buy on decline with stop below 88.00 on a daily closing basis. Target 90.20 and then near 90.80 on Dec futures.

# GBP



1. **With coming Sunday as the new deadline for a breakthrough in the EU-UK trade talks, there is significant weekend risk. Hence, avoid taking large positions in either GBPUSD or GBPINR overnight.**
2. **Volatility is expected to increase. GBPUSD currently is in a consolidation mode.**
3. **GBP/INR can be bought on decline with stop below 97.70 levels. Below 97.70, it can aim for 96.70/80 levels.**

# USD/INR



- *Price action suggests that primary trend is downward. **Sell on rise is advised.** Unless USDINR is managing to close above 75.00, bearish view remains intact. Support is near 73.40 and 73.00.*
- *Options remains the core play in USDINR on exchanges, as RBI has played an active role to curb volatility. Hence, one can look at **bearish Seagull** as way to build shorts and even ratio trades to earn from low volatility, using monthly and weekly options.*

# GBP IS AT A CRITICAL JUNCTURE



- **With the stalemate between EU and UK continuing as the year end deadline approaches, GBPUSD is once again finding supply near a critical zone of resistance that between 1.35/1.36. In the recent history every time GBPUSD has failed to sustain here, it has pulled back to 1.20.**
- **An inter-connected pair EUR/GBP is consolidating within a triangular range. The question remains will it be a significantly strong EuroUSD which causes this or is it weak GBPUSD which creates this? I will lean towards the latter.**

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