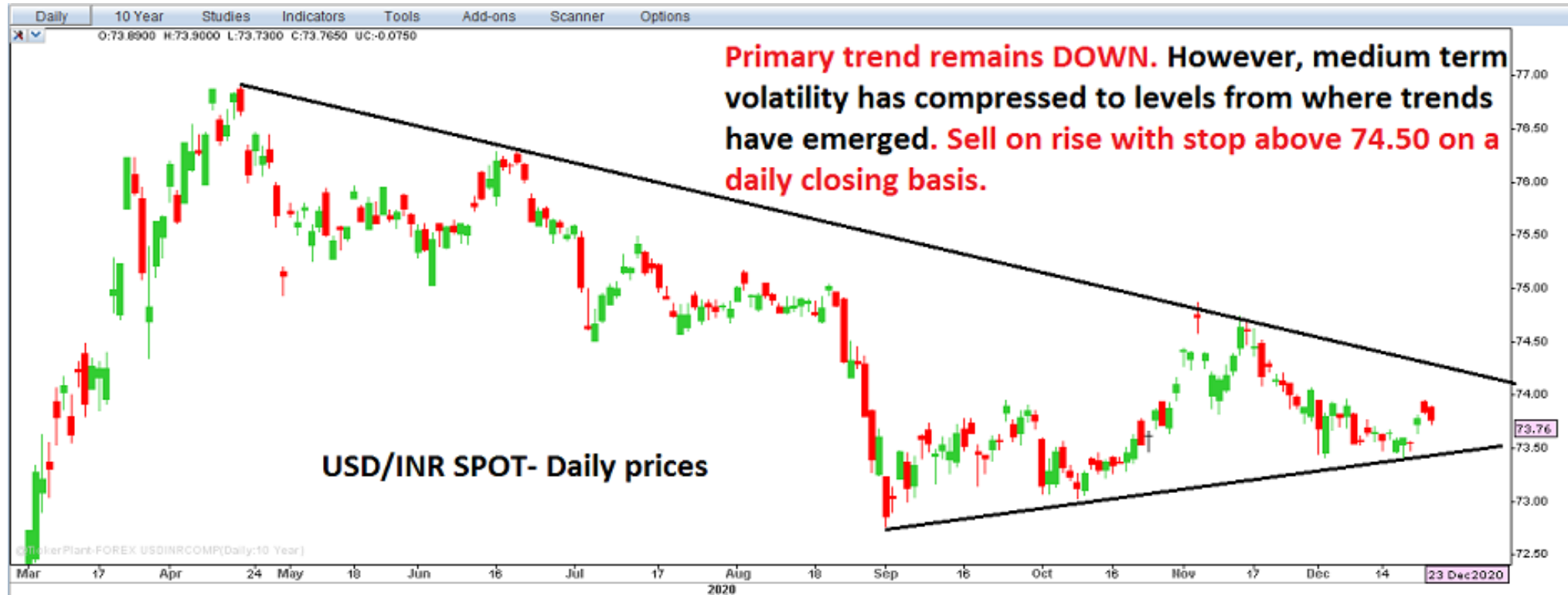




FX INSIGHT- EU/UK deal imminent ...

Anindya Banerjee, CMT, CFTe, CCRA

USD



1. US Dollar is down and Asian stock markets are up indicating risk on mood to start the pre-Christmas day. Hope of a post Brexit deal between EU and UK seems to have had a positive rub-off on all risk assets.
2. **Volatility has shrunk to cyclical lows. Watch out for breakout in volatility.** When volatility breaks out from the low level, the direction prices take, proves durable. Watch for the price levels mentioned in the chart of USDINR spot.

EURO



1. A Brexit deal, if it happens, will be positive for Euro, as both, EU and UK benefits, but Euro will underperform GBP in that case.
2. For positional trade, EUR/INR remains a **buy on decline** with stop below 88.40 on a daily closing basis. Target 90.50 and then near 91.00 on Dec futures.

GBP



1. **GBP** has strengthened on news reports that the EU and UK have reached the outlines of a **post-Brexit trade deal**. The deal could be signed tonight. EU Commission has told member states to be prepared for a meeting at short notice. All in all, a positive environment for GBP. **However, we careful of post-event sell-off as traders book profit.**
2. **GBPINR** remains a buy on decline as long as **GBPUSD** is holding above 1.31 levels. For the day, buy on decline can be done with stop below 99.40 levels on a closing basis. Target 100.30/50 zone.

JPY



1. For JPYINR to convincingly break above the horizontal range the risk off theme needs to be durable. A day or two of mood swing in financial markets may not be enough. Therefore, watch the risk off theme closely. If it shows signs of aggravating, go long in JPYINR.
2. JPYINR sell on rise between 71.50/80 levels with stop above 72.00. Target 70.40/50. If it breaks down below 70.20, go further short for 69.50 and 69.10 levels. Reverse to long above 72.20 levels.



KEY LEVELS

Futures	SUPPORT 1	SUPPORT 2	RESISTANCE 1	RESISTANCE 2
USDINR	73.60	73.40	74.00	74.20
Futures	SUPPORT 1	SUPPORT 2	RESISTANCE 1	RESISTANCE 2
EURINR	89.70	89.40	90.25	90.55
Futures	SUPPORT 1	SUPPORT 2	RESISTANCE 1	RESISTANCE 2
GBPINR	99.65	99.30	100.20	100.55
Futures	SUPPORT 1	SUPPORT 2	RESISTANCE 1	RESISTANCE 2
JPYINR	71.00	70.75	71.45	71.75

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