

December 27, 2017

Bottom line: USDINR along with other INR pairs are moving in a narrow range probably on back of lower volumes in international market. Wait for break of important resistance levels for trend reversal confirmation on USDINR

Latest Webinar - [How to trade Impulse pattern on Equity, Copper and Crypto?](#)

Latest interview- [Stock tips by Ashish Kyal post Gujarat Elections on Zee Business](#)

USDINR daily chart spot:



USDINR (Fut) 60 mins chart:



Wave Analysis:

In previous update for USDINR we mentioned that **“trend for USDINR is negative as of now but there is loss of momentum and so the speed on downside can reduce. Let us see if 63.85 (fut) can be broken or not on downside over next few days.”**

We have been prudent in identifying that the down move is slowing and the important level of 63.85 will act as support. So far 63.85 is still protected and prices are simply drifting sideways. There is no momentum and the reason we are not seeing an upward reversal is due to the rally going on in Equity markets. Normally at major turning juncture both USDINR and Nifty turns together. As of now the up move in Equity is helping INR to appreciate against various currency pairs.

As shown on hourly chart, prices continue to move in wave v of c and there is positive divergence on RSI. However, as mentioned above unless we see reversal in equity markets there is possibility that USDINR might move in a narrow range. Break above 64.40 (fut) will be first indication that the trend is probably reversing.

In short, trend for USDINR is sideways with important support near 63.85 and resistance at 64.40 levels. Break of these levels will result into trending move in that direction. We expect the down move to be in matured stages and up move to start soon.

EURINR daily chart spot:



EURINR 60 mins chart:



Wave Analysis:

In previous update for EURINR we mentioned that **“trend for EURINR is negative and we can expect prices to touch the lows of 75.30 (fut) before any meaningful bounce back.”**

There is no change in our outlook for EURINR. Prices continued to move in a range and has now moved towards the level of 75.77 (fut).

As mentioned above the overall currency pairs are moving in a narrow range on back of low volumes due to festive season in international markets. During such time there is very less movement in major currencies like EURUSD which leads to narrow movement in INR pairs.

As shown on hourly chart, EURINR is now moving in wave v of (c). The internal counts are shown and this wave v should take prices towards the immediate support of 75.30 (fut).

In short, as long as 76.50 is protected any pullback in this currency pair should be used as shorting opportunity for a trend towards 75.30 levels.

GBPINR daily chart spot:



GBPINR 60 mins Chart:



Wave Analysis:

In previous update on GBPUSD we mentioned that *“trend for GBPINR is negative and we can expect prices to move towards 84.50 (fut) levels over short term”*

GBPUSD the currency that drives the prices of GBPINR has continued to move lower. GBPUSD overall trend remains negative and therefore we can expect it to move towards 1.3340 levels from current level of 1.3357. Move below 1.33 is required for a strong trending move in this pair.

So, after evaluating the above scenario of GBPUSD it seems that GBPINR should also move lower. Prices can move towards the previous low of 84.50 (fut) which we have been mentioning all the while.

In short, trend for GBPINR is negative as long as 87 (fut) is protected.

JPYINR Daily chart:



JPYINR 60 mins chart:



Wave Analysis:

JPYINR managed to protect the high of 57.50 and inched lower. It is important to look at the internal wave structure to see if there lies any trading opportunity.

As shown on the hourly chart of JPYINR it seems that the entire down move is in a-b-c-x-a-b-c pattern. As of now prices are in wave a after completing wave x and so few more days of appreciation in INR against JPY can be expected.

In short, trend for JPYINR is negative for now and we can expect it to move towards 56.20 (fut) levels which is the lower end of the channel support. Any pullback from here towards 56.80 (fut) should be used as shorting opportunity with 57.20 as stop and target of 56.40 (fut) or lower levels.

Special section: Let us see the overall trend for Equity markets which is probably helping INR to appreciate against USD. Below is the latest update on Nifty picked up from our daily Equity research report "The Financial Waves short term update"

Nifty daily chart:



Nifty 60 mins chart:



Wave analysis:

In previous update we mentioned that **“close above 10500 is required for positive trend to continue and it will be important to see if momentum can gain above that level.”**

Nifty had a positive opening above 10500 levels but prices traded in a range for most part of the day until 3 pm. There was a sharp rise seen post 3 pm from the lows of 10490 to the highs of 10545 levels. This helped the index to close above 10500 and Sensex above 34000 levels for the first time ever. The overall bias continues to be positive as long as the immediate support levels remain intact.

It is interesting to see that stocks like RCOM, Relcap, BHEL are showing positive momentum after many months. These stocks have been major laggards. RCOM is up by another 40% in single day probably on back of some announcement. The overall buying in broader market is indicating more steam is left in the ongoing up move and one should stay long unless the support levels are taken out.

During a trending move prices will invariably tend to protect the lows of prior bar. As long as we do not see close below previous day low one can stay in the direction of trend. This is simple but very powerful technique for riding the trend.

As shown on hourly chart, prices are moving in the form of wave c within wave (e). This wave c is internally divided into impulse pattern and currently wave iii is ongoing. We are showing a small blue channel and it will be crucial to see if the same can be broken on upside or not. As Nifty managed to close above 10500 the overall trend will remain positive as long as the support near 10428 which is wave ii low is protected.

In short, Nifty trend is positive as prices managed to close at life time highs and follow the bar technique to stay in the current trend. As mentioned earlier the Gann target levels are near 10661 which is coinciding with the bigger blue channel resistance. Let us see if markets can generate momentum now to reach towards this level. Use 10428 as strict stoploss for long positions!

Services offered by Waves Strategy Advisors:

Stay head at major turning points and think objectively by **Subscribing to our Services:**

- ✚ Equity / Commodity / Currency research reports that are published on daily basis before market opens
- ✚ Intraday / Positional advisory on Equity and Commodity
- ✚ Research report and advisory on Currency pairs
- ✚ Global Market forecasting
- ✚ Research on COMEX and LME markets
- ✚ Research on NCDEX Agri products
- ✚ Multibagger stocks to create portfolio for long term

We also provide: Outsourcing Research solutions.

- ✚ Portfolio advisory services
- ✚ Conduct Educational seminars, Class room training, and Distance learning modules.

Disclosures:

Waves Strategy Advisors (“**Firm**”) is SEBI registered as a Research Entity in terms of SEBI (Research Analyst) Regulations, 2014. SEBI Registration number: INH000001097. The Firm, its partners, employees, and associates have not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market.

- The Firm, its partners, employees, and associates including the relatives of the Partners,
- do not hold any financial interest/beneficial ownership of 1% or more in the company subject to research analysis (“**Subject Company**”);
 - do not have any material conflict of interest with the Subject Company;
 - has not received any compensation or monetary benefit of any nature from the Subject Company during the past twelve months;
 - has not served as a client, employee, director or officer of the Subject Comp
 -
 - any;
 - has not been engaged in any market making activity for the Subject Company
 - has not received any compensation for brokerage services from the subject company in the past twelve months

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. The Firm does not represent/ provide any warranty express or implied to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any trading or investment decision. Each recipient of this document should make such investigations as they deemed necessary to arrive at an independent evaluation of an trading / investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

The Firm, its affiliates, directors, partners its proprietary trading and investment businesses may, from time to time, make investment decisions. The views contained in this document are those of the Firm and the research analyst engaged in preparing the research report, and the client may or may not subscribe to all the views expressed within and the client has the right and option to not follow or put reliance on recommendations they are not agreeable to.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Waves Strategy Advisors or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Waves Strategy Advisors has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document.

While Waves Strategy Advisors endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.