

# Currency Pair Trade– Buy GBPJPY

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**TRADE- Buy GBPJPY at CMP 145- Target 161, Upside 11%**

## GBPUSD

Recent depreciation of GBPUSD from two months high of 1.437 to 1.315 has marked completion of second degree bottom in the near term. The levels of 1.3150 should act as a strong base in the near term and should be followed up with retracement rally towards 1.39. In fact, the weekly chart in GBPUSD suggests breakout from falling channel and going forward the breakout line is likely to act as strong defense in the near term. Though upside potential of this larger breakout suggests price target of 1.5 i.e. 15% upside, but it could take 8-9 months for achieving it. In the short term, we expect a sharp rebound from current levels and expect at least 5.3% gains in 3-4 months' time frame.

### GBPUSD Weekly chart



**USDJPY**

The USDJPY has been flirting with resistance of 110.7 as it turned out to be a resistance line extended based on a closing basis. But interestingly, the recent price setup suggests formation of symmetrical triangle which is expected to end with upside breakout and should end near 114.3 in 3-4 months' time.



Based on the above two price data, we expect GBPUSD to rise by 5.3% while USDJPY to rise by 4.5% taking the total gains for GBPJPY pair trade by 9-10%.

Currently GBPJPY pair stands at 145.17. We expect it to test 160 in next 3-4 months, stop loss for ratio 138.

**Trade to be executed for 1 Lot Future in NSE-**

Symbol	Action	Basic Margin	Add Margin for 10% Cushion	Qty	Total investment	Price Target	Profit Expectation	ROI
GBPINR	Buy @ 90.69	2000	10,000	1000	12,000	94	3,310	27.5%
JPYINR	Sell @ 62.55	2000	10,000	1000	12,000	58.5	4,000	33.33%
					<b>24,000</b>		<b>7,310</b>	<b>30.5%</b>

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