

KEY HEADLINES:

- German retail sales rose in June the most in more than 12 years and unemployment edged up less than expected in July, data showed on Wednesday, offering a rare ray of hope that household spending will prop up Europe's largest economy. Germany's labor market has become the foundation of a consumption-driven growth cycle, now in its 10th year. The job market has so far remained largely immune to an economic slowdown that's being driven by a slump in manufacturing.
- The dollar hovered just off two-month highs on Wednesday as robust U.S. data all but eliminated chances the Fed will deliver a half-point interest rate cut, while the euro remained near two-year lows on weak inflation and growth readings. The Federal Reserve is expected at 1800 GMT to announce its first rate cut since 2008 and 78% of traders now price a 25 basis point cut, with the likelihood of a deeper easing diminishing as data, including second-quarter economic growth and consumer confidence, has beaten forecasts.
- Euro zone economic growth halved in the second quarter and inflation slowed sharply in July, reinforcing market expectations that the European Central Bank will further ease monetary policy in September. The European Union's statistics office said on Wednesday that gross domestic product in the 19 countries sharing the euro grew 0.2% quarter-on-quarter in the April-June period, down from 0.4% in the previous three months and returning to the anaemic rates seen in the third and fourth quarters of last year.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Manufacturing PMI (Jul)	EUR	43.1	43.1	HIGH
Manufacturing PMI (Jul)	GBP	47.7	48.0	HIGH
BoE Interest Rate Decision (Aug)	GBP	0.75%	0.75%	HIGH
ISM Manufacturing PMI (Jul)	USD	52.7	51.7	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.98	68.85	68.70	69.15	69.30	Sideways
EURINR FUTURE	77.09	76.90	76.70	77.30	77.50	Sideways
GBPINR FUTURE	84.07	83.90	83.70	84.25	84.45	Sideways
JPYINR FUTURE	63.64	63.50	63.35	63.80	63.95	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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