

KEY HEADLINES:

- SNB interventions confirm Switzerland could be named FX manipulator Despite normally disclosing the size of currency interventions once a year (in the Annual Report), the SNB announced today that it engaged in currency interventions worth CHF 90bn in the first half of 2020. This narrowly exceeds 50% of Switzerland's GDP. The figure is a mere confirmation of the large deployment of the FX intervention tool by the SNB to curb the strong appreciation pressures on the franc as the Covid-19 pandemic erupted.
- The EURUSD is bouncing this week along with most other risk assets. But is it sustainable? The euro did manage a close above 1.1700 yesterday against the US dollar. You can see how 1.1700 served as support in early August. However, EURUSD bulls aren't out of the woods yet. There are several other key resistance levels that could hold the pair back including 1.1800. Furthermore, the price action over the last couple of weeks suggests to me that this EURUSD pullback isn't over. I'd like to see the pair retest the area between 1.1450 and 1.1500 before considering another long position.
- The Trump administration plans to announce an investigation into Vietnam's currency practices, according to three people familiar with the matter. The probe, undertaken through section 301 of the 1974 Trade Act, would come after the Departments of Commerce and Treasury in August determined Vietnam had manipulated its currency in a specific trade case involving tires, the people said. The announcement could come as soon as this week, said the people, who asked not to be identified. Vietnam is among the U.S.'s 10 biggest trading partners.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Core PCE Price Index m/m	USD	0.3%	0.3%	MEDIUM
Personal Spending m/m	USD	0.7%	1.9%	MEDIUM
Unemployment Claims	USD	850K	870K	MEDIUM
ISM Manufacturing PMI	USD	56.0	56.0	MEDIUM
Final Manufacturing PMI	EUR	53.7	53.7	MEDIUM
Final Manufacturing PMI	GBP	54.3	54.3	MEDIUM
Final Manufacturing PMI	USD	53.5	53.5	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.93	73.80	73.50	74.10	74.30	BEARISH
EURINR FUTURE	86.59	86.40	86.00	86.80	87.20	Sideways
GBPINR FUTURE	94.88	94.60	94.10	95.10	95.60	Sideways
JPYINR FUTURE	69.95	69.75	69.30	70.15	70.60	BEARISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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