

KEY HEADLINES:

- Hong Kong retail sales, a key part of the city's economy, felt a growing impact in June from mass protests, government data showed on Thursday. The government said June retail sales fell 6.7% from a year earlier, the biggest decline since February, as local consumer sentiment turned cautious and growth in visitor arrivals slowed. Protests against a proposed extradition law began in late April and widened in June, though they remained peaceful until July, when there was violence at some demonstrations.
- Gains in the dollar after the Federal Reserve sounded cautious on more rate cuts sent the euro to a 26-month low on Thursday, as investors decided a lengthy U.S. easing cycle was unlikely. In a widely expected move, the U.S. central bank cut rates on Wednesday for the first time since the financial crisis, in response to the growing risk of higher import tariffs and a slowdown in the world's major economies. But it also signalled that the quarter point cut may not be the start of a lengthy campaign to shore up the economy.
- Factory activity contracted across Asia and Europe in July, fuelling worries a prolonged U.S.-China trade war and an economic slowdown could tilt the world toward recession, which central banks would have to fight with depleted ammunition. Manufacturing activity in the euro zone fell at its steepest rate since late 2012 last month as demand sank, a survey compiled by IHS Markit showed, puncturing sentiment among factory managers.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Construction PMI (Jul)	GBP	46.0	43.1	HIGH
Retail Sales (MoM) (Jun)	EUR	0.2%	-0.3%	MEDIUM
Average Hourly Earnings (YoY) (Jul)	USD	3.1%	3.1%	MEDIUM
Nonfarm Payrolls (Jul)	USD	164K	224K	HIGH
Unemployment Rate (Jul)	USD	3.7%	3.7%	HIGH
U.S. Baker Hughes Oil Rig Count	USD		776	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.24	69.10	68.95	69.40	69.55	Sideways
EURINR FUTURE	76.58	76.40	76.20	76.80	77.00	BEARISH
GBPINR FUTURE	84.01	83.80	83.60	84.20	84.40	Sideways
JPYINR FUTURE	63.65	63.50	63.35	63.80	63.95	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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