

KEY HEADLINES:

- July was a very difficult month for the US dollar. The greenback sold off sharply against all of the major currencies hitting multi-month / multi-year lows in the process. In one month, it lost 6% of its value against sterling, 5% versus the euro and more than 4% against the Swiss Franc and Australian dollars. From rising coronavirus cases, falling yields, expiring stimulus benefits, domestic turmoil, an unpredictable President and political tensions with many countries around the world, investors had plenty of reasons to abandon the greenback.
- Chinese imports of agricultural goods surged in June as buyers stockpiled farm products to hedge against possible supply disruptions caused by deteriorating relations with the United States and fill gaps in domestic production, analysts said. By the end of the month, imports of grains – including wheat, barley, corn, rice, sorghum, and soybeans – had jumped 80.6 per cent from a year earlier, accelerating from the 32.4 per cent increase recorded in May and a sharp reversal from the decline of 6.4 per cent in April.
- The euro remains trapped between the 0.9000 and 0.9100 level against the British pound, as both currencies strengthen on the foreign exchange market. EUR/GBP technical analysis shows that a bullish reversal pattern is projecting more strength towards the 0.9200 level. The EUR/GBP pair continues to enjoy strong buying demand, as traders continue to buy any dips towards the 0.9000 support area. EUR/GBP analysis shows that the pair could start to trade towards the 0.9270 resistance level over the medium-term horizon.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Final Manufacturing PMI	EUR	51.1	51.1	MEDIUM
Final Manufacturing PMI	GBP	53.6	53.6	MEDIUM
Final Manufacturing PMI	USD	51.3	51.3	MEDIUM
ISM Manufacturing PMI	USD	53.6	52.6	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.01	74.85	74.50	75.20	75.50	Sideways
EURINR FUTURE	88.75	88.50	8.00	89.00	89.50	BULLISH
GBPINR FUTURE	98.47	98.25	97.75	98.75	99.25	BULLISH
JPYINR FUTURE	71.56	71.35	71.00	71.75	72.15	Sideways

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Disclosure:

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