

## KEY HEADLINES:

- China will maintain a consistent and stable policy on real estate finance and avoid using the property sector to generate a short-term stimulus to the economy, according to a central bank report. The country will continue to stick to the principle that "houses are for living in, not speculation," said the People's Bank of China (PBOC), the central bank, in the report on the country's regional financial operation in 2019. Home prices across the country remained generally stable in 2019.
- Sterling's gains still face headwinds that negotiations between the two sides of the Brexit may not make significant progress, thanks to poor signals from European Union and UK camps in recent weeks. A strong start for the pound this week, and the share of the GBP/USD pair pushed it towards the 1.2506 resistance, it's highest in a month, before settling around the 1.2488 level in the beginning of trading today.
- The ISM manufacturing index has risen to 43.1 in May from 41.5 in April and all the important sub-components – production, new orders and employment – have improved, but they continue to tell a very painful story. One that suggests manufacturing output will fall by more than 20% with investment in the sector likely to contract through much of the rest of the year. During the Global Financial Crisis the headline ISM index bottomed at 34.5 (December 2008) so hitting a low of "only" 41.5 in April doesn't seem all that terrible. In the current crisis though the headline is being artificially inflated by the supplier delivery times component, which even after dipping back this month, is still up at 68.0.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Final Services PMI	EUR	28.7	28.7	MEDIUM
Final Services PMI	GBP	27.9	27.8	MEDIUM
Final Services PMI	USD	36.9	36.9	MEDIUM
ADP Non-Farm Employment Change	USD	-9500K	-20236K	HIGH
ISM Non-Manufacturing PMI	USD	44.0	41.8	HIGH

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.34	75.20	74.90	75.50	75.80	BEARISH
EURINR FUTURE	84.09	83.90	83.40	84.30	84.80	Sideways
GBPINR FUTURE	94.43	94.20	93.60	94.65	95.10	Sideways
JPYINR FUTURE	69.89	69.70	69.40	70.10	70.40	BEARISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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