

KEY HEADLINES:

- The dollar slipped to a one-week low against the Japanese yen on Wednesday, undermined by the steady fall in U.S. Treasury bond yields, fading optimism over the Sino-U.S. trade deal and the possibility of fresh tariff hostilities with Europe. Meanwhile the Swedish crown briefly jumped to a 2-1/2 month high versus the euro after the central bank said it was on track to tighten policy by early 2020. a basket of six major currencies, the dollar pulled back from two-week highs scaled on Tuesday .DXY as U.S. bond yields extended the previous day's heavy fall, with 10-year yields hitting 2-1/2-year lows below 1.94%.
- Euro zone business activity picked up slightly last month but remained weak as a modest but broad-based upturn in the services industry offset a continued deep downturn in factory output, a survey showed. Worryingly for policymakers at the European Central Bank, who are under pressure to support growth, forward-looking indicators did not point to a bounce back and business expectations for the year ahead dropped.
- The U.S. dollar was hovering near two-week highs against a currency basket on Wednesday as renewed concerns over trade tensions and slowing global growth weighed on investor confidence, bolstering demand for the Japanese yen. The U.S. dollar index against a basket of six major currencies was at 96.38 by 03:12 AM ET (07:12 GMT), not far from the highs of 96.45 scaled on Tuesday, the most since June 20.

Economic Indicators to be released.

| Indicator | Currency | Forecast | Previous | Impact |
|--------------------------|----------|----------|----------|--------|
| Retail Sales (MoM) (May) | EUR | 0.3% | -0.4% | MEDIUM |
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Support Resistance Levels – Currency Future:

| Currency | LTP | S1 | S2 | R1 | R2 | Trend |
|---------------|-------|-------|-------|-------|-------|---------|
| USDINR FUTURE | 69.08 | 68.94 | 68.79 | 69.32 | 69.46 | BEARISH |
| EURINR FUTURE | 78.25 | 78.05 | 77.85 | 78.45 | 78.65 | BEARISH |
| GBPINR FUTURE | 87.02 | 86.80 | 86.60 | 87.22 | 87.40 | BEARISH |
| JPYINR FUTURE | 64.27 | 64.12 | 63.95 | 64.42 | 64.56 | BEARISH |

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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