

KEY HEADLINES:

- The Swiss franc rallied to its highest levels in nearly two years against the euro on Monday as U.S. President Donald Trump hardened his trade stance to countries beyond China, prompting investors to move into perceived safe-haven currencies. Trade tensions have grabbed centre stage for investors in recent weeks after Trump increased tariffs on Chinese imports, threatened to raise tariffs on Mexican imports and removed preferential trade treatment for India.
- The U.S. dollar was trading near one-week lows against a currency basket on Monday, with the yen and the Swiss franc, seen as safe havens in time of uncertainty, gaining ground as global trade tensions escalated. With the U.S. administration's combative stance on trade widening to countries beyond China, and with China threatening more countermeasures over the weekend, markets have started to price in a sharp slowdown in global growth.
- Factory activity contracted across Asia and Europe last month as an escalating trade war between Washington and Beijing raised fears of a global economic downturn and heaped pressure on policymakers to roll out more stimulus.

Economic Indicators to be released.

| Indicator | Currency | Forecast | Previous | Impact |
|--|----------|----------|----------|--------|
| Construction PMI(May) | GBP | 50.5 | 50.5 | HIGH |
| CPI(YoY)(May) | EUR | 1.3% | 1.7% | HIGH |
| Core CPI(YoY)(May) | EUR | 1.0% | 1.3% | Medium |
| Unemployment Rate(Apr) | EUR | 7.7% | 7.7% | Medium |
| Factory Orders(MoM)(Apr) | USD | -0.9% | 1.9% | Medium |
| Cap Goods Ship Non Defense Ex Air(MoM) | USD | | 0.0% | Medium |
| | | | | |
| | | | | |

Support Resistance Levels – Currency Future:

| Currency | LTP | S1 | S2 | R1 | R2 | Trend |
|---------------|-------|-------|-------|-------|-------|---------|
| USDINR FUTURE | 69.42 | 69.27 | 69.12 | 69.57 | 69.72 | Bearish |
| EURINR FUTURE | 77.85 | 77.60 | 77.35 | 78.10 | 78.35 | Bearish |
| GBPINR FUTURE | 87.87 | 87.62 | 87.37 | 88.12 | 88.37 | Bearish |
| JPYINR FUTURE | 64.14 | 63.99 | 63.84 | 64.29 | 64.44 | Bearish |

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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