

## KEY HEADLINES:

- U.S. services sector activity slowed to a three-year low in September amid rising concerns about tariffs, suggesting that trade tensions were spilling over to the broader economy. Coming on the heels of news this week that manufacturing activity plunged to a more than 10-year trough in September, the survey from the Institute for Supply Management (ISM) on Thursday increased the risks of a recession. For now, a solid labor market is keeping the economy on a moderate growth path.
- The dollar stepped back on Friday after a soft U.S. service sector survey stoked worries that pressure from U.S. trade disputes with China and other countries could spill over into the broader U.S. economy and tip it into a recession. The dollar index fell to 98.905, shedding about 0.8% after hitting 2 1/2-year high this week. Against the yen, the U.S. currency eased to 106.91 yen, having fallen to one-month low of 106.48 in U.S. trade on Thursday. euro stood at \$1.0972 , extending its recovery from a near 2 1/2-year low of \$1.0879 set on Tuesday.
- British business activity wilted in the third quarter, especially in manufacturing, according to a survey on Friday that boded poorly for the country's economy in late 2019 as it faces the Brexit crisis and a global slowdown. The British Chambers of Commerce's (BCC) survey of 6,600 companies showed domestic manufacturing sales fell at the fastest pace since late 2011. Growth in the much larger services sector also slowed. Overall, the survey chimed with other signs of a sharp deterioration in business confidence in Britain as the Oct. 31 Brexit deadline nears with little clarity on how or if the country will leave the European Union.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Interest Rate Decision	INR	5.15%	5.40%	HIGH
Average Hourly Earnings (YoY) (Sep)	USD	3.2%	3.2%	MEDIUM
Nonfarm Payrolls (Sep)	USD	140K	130K	HIGH
Participation Rate (Sep)	USD		63.2%	MEDIUM
Unemployment Rate (Sep)	USD	3.7%	3.7%	HIGH
U.S. Baker Hughes Oil Rig Count	USD		713	MEDIUM

### **Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.07	70.90	70.75	71.22	71.35	Sideways
EURINR FUTURE	78.08	77.85	77.60	78.25	78.50	Sideways
GBPINR FUTURE	87.48	87.25	87.00	87.75	88.00	Sideways
JPYINR FUTURE	66.47	66.30	66.15	66.62	66.75	Sideways

### **RESEARCH BONANZA FOREIGN CURRENCY SEGMENT**

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