

KEY HEADLINES:

- The dollar fell against safe havens such as the yen and Swiss franc in early trading in Europe Friday, but was higher against most other currencies after President Donald Trump announced a sharp escalation of the U.S.'s trade war with China. The yen had its best day against the dollar in two years on Thursday after the announcement of a new 10% tariff on \$300 billion worth of imports from China. By 3 AM ET (0700 GMT), it was at 106.95 to the dollar, having risen to its highest since April 2018 against the greenback earlier.
- Retail trade in the euro zone rose 1.1% in June on the month, the EU's statistics agency Eurostat said on Friday, a sign that consumers may help support a weakening economy. Retail sales in the 19-country euro zone rose far more than expected by economists polled by Reuters, who on average had forecast a 0.2% rise compared with May. Trade was lifted by spending on vehicle fuel, food and drink and a sharp increase in sales of clothing and shoes, Eurostat data showed, more than offsetting the 0.6% drop in sales recorded in May.
- Activity in Britain's construction industry shrank for a third month in a row in July as Brexit worries hit building projects, amid concerns that the slowdown could soon spill over into other areas of the economy, a survey showed on Friday. The IHS Markit/CIPS construction Purchasing Managers' Index (PMI) rose to 45.3, a less severe contraction than June's 43.1 - which was the weakest reading in more than 10 years - but still well below the 50 level at which growth begins. Economists polled by Reuters had expected the index to recover more strongly to 46.0.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Markit Composite PMI (Jul)	EUR	51.5	51.5	MEDIUM
Service PMI (Jul)	EUR	53.3	53.3	MEDIUM
Composite PMI (Jul)	GBP			HIGH
Services PMI (Jul)	GBP	50.2	50.2	HIGH
Services PMI (Jul)	USD		52.2	MEDIUM
ISM Non-Manufacturing PMI (Jul)	USD	55.5	55.1	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.71	69.50	69.30	69.90	70.10	BULLISH
EURINR FUTURE	77.57	77.27	77.00	77.87	78.17	BULLISH
GBPINR FUTURE	84.60	84.30	84.00	84.90	85.20	BULLISH
JPYINR FUTURE	65.33	65.15	64.95	65.55	65.75	BULLISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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