

## KEY HEADLINES:

- A trade war between the world's top two economies cut U.S. imports of Chinese goods by more than a quarter, or \$35 billion, in the first half of this year and drove up prices for American consumers, a U.N. study showed on Tuesday. Beijing and Washington have been locked in a trade feud for the past 16 months although there are hopes that an initial deal offering some relief may be signed this month. If that fails, nearly all Chinese goods imports into the United States - worth more than \$500 billion - could be affected.
- The dollar held the upper hand against its rivals on Wednesday, particularly versus traditional safe-haven currencies, on rising hopes for a U.S.-China trade deal and a string of solid U.S. economic data. The dollar index against major currencies was little changed at 97.936 in early Asian trade after rising 0.37% the previous day. Against the yen, the dollar traded at 109.08 yen, down slightly on the day but still not far from its October high of 109.285. The Swiss franc changed hands at 0.9925 to the dollar following its 0.5% fall the previous day, while gold tumbled 1.73% on Tuesday and last stood at \$1,485.8 per ounce, near the lower end of its trading range over the past month. The euro stood at \$1.1073, having dropped 0.49% on Tuesday and was not far from a near three-week low of \$1.10635 hit in U.S. trade on Tuesday.
- The U.S. trade deficit fell 4.7% to \$52.5 billion in September as the country recorded its first petroleum surplus, but overall imports and exports otherwise fell under the weight of rising global tariffs and a slowing world economy. Economists polled by Reuters had forecast the trade gap would fall slightly to \$52.5 billion in September. The United States imported fewer cars but sold fewer overseas in September. It also imported fewer cellphones, toys and games, but sold less food, feed and beverages abroad.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Services PMI (Oct)	EUR	52.9	51.1	MEDIUM
German Services PMI (Oct)	EUR	51.2	51.4	MEDIUM
Markit Composite PMI (Oct)	EUR	50.2	50.1	MEDIUM
Services PMI (Oct)	EUR	51.8	51.6	MEDIUM
Nonfarm Productivity (QoQ) (Q3)	USD	0.9%	2.3%	MEDIUM
Crude Oil Inventories	USD	1.515M	5.702M	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	70.82	70.72	70.60	70.95	71.05	BULLISH
EURINR FUTURE	78.86	78.65	78.45	79.00	79.14	Sideways
GBPINR FUTURE	91.38	91.20	91.00	91.55	91.70	Sideways
JPYINR FUTURE	65.15	65.00	64.85	65.30	65.45	Sideways

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

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