

## KEY HEADLINES:

- Japan's household spending rose for a seventh straight month in June, amid signs resilient consumer activity could help counter the effects of weak global demand, although the consumption outlook was clouded by softer wages. The Bank of Japan is hopeful that a pick-up in private consumption will help it achieve its 2% inflation target even as an intensifying U.S.-China trade war hurts exports and business sentiment. Household spending rose 2.7% in June from a year earlier, nearly double the median forecast for a 1.4% gain, government data showed on Tuesday.
- China's yuan steadied on Tuesday after overnight declines, but market sentiment remained fragile a day after a steep selloff in global markets spurred by fears over the escalating U.S. - China trade war. China's offshore yuan extended the previous day's declines and briefly weakened to 7.1382, the lowest since international trading in the Chinese currency began in 2010. But it pulled back to 7.0690 after Beijing's firmer-than-expected yuan fixing on Tuesday. The onshore Chinese yuan fell to an 11-year low early on Tuesday, brushing 7.0699 per dollar.
- German industrial orders exceeded expectations in June but that was mainly due to a jump in bookings for big-ticket items and the economy ministry said this sector of Europe's biggest economy has not yet reached a turning point. The export-oriented German economy, facing headwinds from trade disputes, a cooling global economy and Brexit uncertainty is widely expected to have contracted in the second quarter. It is being dragged down by the manufacturing sector, which accounts for about a fifth of the economy.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Industrial Production (MoM) (Jun)	EUR	-0.4%	0.3%	MEDIUM
Interest Rate Decision	INR	5.50%	5.75%	HIGH
Halifax House Price Index (MoM) (Jul)	GBP	0.3%	-0.3%	MEDIUM
Crude Oil Inventories	USD	-3.313M	-8.496M	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
<b>USDINR FUTURE</b>	<b>70.98</b>	<b>71.15</b>	<b>71.30</b>	<b>70.85</b>	<b>70.70</b>	<b>BULLISH</b>
<b>EURINR FUTURE</b>	<b>79.60</b>	<b>79.30</b>	<b>79.00</b>	<b>79.90</b>	<b>80.20</b>	<b>BULLISH</b>
<b>GBPINR FUTURE</b>	<b>86.52</b>	<b>86.20</b>	<b>85.90</b>	<b>86.80</b>	<b>87.10</b>	<b>BULLISH</b>
<b>JPYINR FUTURE</b>	<b>66.80</b>	<b>66.65</b>	<b>66.50</b>	<b>66.95</b>	<b>67.10</b>	<b>Sideways</b>

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

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