

KEY HEADLINES:

- The U.S. trade deficit increased in August as imports of consumer goods surged to a record high, but the gap with China, a focus of the Trump administration's "America First" agenda, narrowed. The Commerce Department said on Friday the trade deficit rose 1.6% to \$54.9 billion. The July trade gap was unrevised at \$54.0 billion. Economists polled by Reuters had forecast the trade gap would widen slightly to \$54.5 billion in August. The politically-sensitive goods trade deficit with China fell 3.1% to \$31.8 billion on an unadjusted basis, with imports declining 0.8%. Exports to China increased 8.0% in August, boosted by soybean shipments. The goods trade deficit with the European Union jumped 23.7% to \$15.3 billion.
- The dollar slipped on Friday after earlier posting gains following a U.S. jobs report that underperformed expectations but was solid overall, as investors remained cautious about political risk in the United States and ongoing trade negotiations with China. The greenback hit session highs against the yen and euro following the jobs report, after trading lower for most of the session. But by afternoon trading, the dollar's rally faded. Data showed that U.S. nonfarm payrolls increased by 136,000 jobs last month. August data was revised to show 168,000 jobs created instead of the previously reported 130,000 positions. Economists polled by Reuters had forecast payrolls would increase by 145,000 jobs in September. unemployment rate dropped to a near 50-year low of 3.5%.
- The U.S. unemployment rate dropped to near a 50-year low of 3.5% in September, with job growth increasing moderately, suggesting the slowing economy could avoid a recession for now despite trade tensions that are hammering manufacturing. The Labor Department's closely watched monthly employment report on Friday, however, contained reminders that the risks to the longest economic expansion on record remained tilted to the downside. Wage growth stagnated and manufacturing payrolls declined for the first time in six months. The retail and utilities sectors also continued to shed jobs.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Factory Orders (MoM) (Aug)	EUR	-0.4%	-2.7%	MEDIUM
Halifax House Price Index (YoY) (Sep)	GBP	3.4%	1.8%	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	78.23	78.00	77.80	78.50	78.70	Sideways
GBPINR FUTURE	87.69	87.40	87.15	88.00	88.20	Sideways
JPYINR FUTURE	66.68	66.45	66.30	66.90	67.05	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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