

KEY HEADLINES:

- The euro edged lower on Friday and is on track for its biggest weekly drop in three weeks as a slide in core government bond yields ramped up pressure for fresh stimulus policies from global central banks. Germany's 10-year Bund yield breached the European Central Bank's deposit rate of -0.40%, a level analysts say acts as a psychological barrier even though shorter-dated German bond yields already trade well below it.
- Japan's core machinery orders likely fell for the first time in four months in May, a Reuters poll found on Friday, suggesting companies remain cautious about new investments as the U.S.-China trade dispute drags on. Core machinery orders likely fell 4.7% in May from the previous month, the poll of 16 economists showed. While volatile, the data series is regarded as an indicator of domestic capital spending in the next six to nine months. They rose 5.2% in April, which was the biggest gain since last October.
- As domestic economic concerns overtake last month's national election euphoria, India's stock market rally has lost steam and the index is lagging its Asian peers. The broader NSE index NSEI climbed to a record high in early June on hopes for more economic reforms after incumbent Prime Minister Narendra Modi's landslide election victory. But share prices have since succumbed to concerns over sluggish domestic consumption, rising bad bank loans and rich valuations.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Industrial Production (MoM) (May)	EUR	0.3%	-1.9%	MEDIUM
German Trade Balance (May)	EUR	18.6B	17.0B	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	68.61	68.45	68.30	68.75	68.90	BEARISH
EURINR FUTURE	77.46	77.25	77.05	77.65	77.85	BEARISH
GBPINR FUTURE	86.26	86.05	85.85	86.45	86.65	BEARISH
JPYINR FUTURE	63.61	63.45	63.30	63.75	63.90	BEARISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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