KEY HEADLINES:

- The dollar edged lower across the board on Thursday, as risk sentiment stabilised after resilient Chinese trade data and Beijing's efforts to slow a slide in the value of the renminbi encouraged investors to buy riskier currencies. Data showed Chinese exports rose 3.3% in July from a year earlier, while analysts had looked for a fall of 2%, and policymakers fixed the daily value of the yuan at a firmer level than many had expected, even though it was beyond the 7 per dollar level for the first time since the global financial crisis.

- China's exports unexpectedly returned to growth in July on improved global demand despite escalating U.S. trade pressure, but the rebound may be short-lived as Washington prepares to slap even more tariffs on Chinese goods. Analysts say a sharp drop in the yuan currency this week may offer only limited help for Chinese exporters, who are facing additional U.S. levies next month, shrinking profit margins, and sputtering demand worldwide. July exports rose 3.3% from a year earlier, the fastest since March and more than the most optimistic estimate in a Reuters poll, customs data showed on Thursday. Analysts had expected a 2.0% drop after June's 1.3% fall.

- China's yuan gained on Thursday after more signs Beijing was slowing its fall, while currencies across Asia were also lifted by better export data from China a day after surprise rate cuts by central banks raised the spectre of a global recession. The People's Bank of China (PBOC) set the midpoint rate at a firmer level than most had predicted, allaying some investor nerves after the yuan crossed the key 7 per dollar level on Monday. However, the fixing was still the weakest in more than a decade. "This suggests that PBoC still desires stability over volatility," Maybank said in a note, referring to Thursday's fixing.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
GDP (YoY) (Q2)	GBP	1.4%	1.8%	HIGH
GDP (MoM)	GBP		0.3%	HIGH
GDP (QoQ) (Q2)	GBP		0.5%	HIGH
Manufacturing Production (MoM) (Jun)	GBP	-0.1%	1.4%	HIGH
PPI (MoM) (Jul)	USD	0.2%	0.1%	HIGH
U.S. Baker Hughes Oil Rig Count	USD		770	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	70.80	70.65	70.50	70.95	71.10	Sideways
EURINR FUTURE	79.37	79.22	79.00	79.62	79.85	Sideways
GBPINR FUTURE	86.03	85.80	85.55	86.30	86.55	Sideways
JPYINR FUTURE	66.83	66.68	66.53	67.00	67.15	Sideways

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FOREIGN CURRENCY SEGMENT

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