

KEY HEADLINES:

- Currencies whipsawed on Thursday as news suggesting division, then detente in Sino-U.S. trade talks sparked volatility, with riskier Asian currencies ultimately rallying over a sinking dollar. Investors, parsing headlines for any clues that tensions weighing on global growth could be resolved, turned from downcast to bullish after Bloomberg reported a currency pact could be part of a deal suspending further tariff hikes. yuan, the most sensitive currency to the trade war, bounced to a two-week high from a month-low in offshore trade, gaining 0.3% by mid-session and pulling the trade-exposed Australian and New Zealand dollars up with it.
- Tariffs are forcing China to pay attention to U.S. concerns, according to a copy of a speech to be given by U.S. Secretary of Commerce Wilbur Ross on Thursday. Ross said the United States would have preferred not to implement tariffs against Chinese goods more than a year ago, which ignited a trade war that slowed global commerce and threatened decades-old systems, but added that it has forced Beijing into action. "We do not love tariffs, in fact we would prefer not to use them, but after years of discussions and no action, tariffs are finally forcing China to pay attention to our concerns," Ross was quoted as saying in a copy of a speech seen by Reuters.
- The yen rose and the yuan fell on Thursday, after a news report said deputy-level trade talks between Chinese and U.S. officials in Washington had failed to make much headway, sending investors scurrying for safety. The South China Morning Post, citing unnamed sources familiar with the discussions, said no progress was made on key issues and China's lead negotiator, Vice Premier Liu He, planned leaving Washington a day early. safe-havens of the yen and Swiss franc each rose as much as 0.3% though some of the gains were soon retraced after CNBC said the White House was unaware of any plans by the Chinese delegation to leave early. yen last stood at 107.35 per dollar and the franc at 0.9936 per dollar. The euro nudged higher to \$1.0988.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
GDP (QoQ)	GBP		0.0%	HIGH
GDP (YoY)	GBP		1.3%	HIGH
GDP (MoM)	GBP		0.3%	HIGH
Manufacturing Production (MoM) (Aug)	GBP	-0.2%	0.3%	HIGH
Core CPI (MoM) (Sep)	USD	0.2%	0.3%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.20	71.06	70.92	71.35	71.49	Sideways
EURINR FUTURE	78.28	78.16	78.05	78.39	78.50	Sideways
GBPINR FUTURE	87.11	86.77	86.42	87.58	88.04	Sideways
JPYINR FUTURE	66.37	66.22	66.07	66.59	66.80	Sideways

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