

## KEY HEADLINES:

- The dollar was higher against the British pound and emerging market currencies in early trading in Europe Wednesday, but range-bound against most of its peers as the market braced for Federal Reserve Chairman Jerome Powell's two days of testimony before Congress. Powell is due to start his testimony at 10:00 AM ET (14:00 GMT), against a backdrop of elevated uncertainty over the path of interest rates for the rest of the year. The market has scaled back its expectations for an immediate, high-impact easing of policy in the wake of Friday's stronger-than-expected U.S. labor market report, but still expects a 25 basis point cut in the Fed funds rate when the Federal Open Markets Committee meets at the end of July.
- Britain's economy grew by more than expected in May, helped a rebound in car production after Brexit-related shutdowns, according to figures that will ease concerns about the extent of the country's slowdown. Overall output expanded 0.3% after contracting by 0.4% in April, the Office for National Statistics said, stronger than all forecasts in a Reuters poll that had pointed a rise of 0.1%.
- The euro held near a three-week low against the dollar on Wednesday as investors trimmed expectations of aggressive rate cuts from the U.S. Federal Reserve later this month, pushing U.S. Treasury yields and the greenback higher. Expectations of easier monetary policy from U.S. policymakers soared last month and traders were waiting to see if Fed Chair Jerome Powell would give more clues on its plans during Congressional testimony starting on Wednesday.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German CPI (MoM) (Jun)	EUR	0.3%	0.3%	MEDIUM
French CPI (MoM) (Jun)	EUR	0.2%	0.2%	MEDIUM
Core CPI (MoM) (Jun)	USD	0.2%	0.1%	HIGH
Initial Jobless Claims	USD	223K	221K	MEDIUM
Federal Budget Balance (Jun)	USD	-6.4B	-208.0B	MEDIUM

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	68.71	68.55	68.40	69.85	70.00	Sideways
EURINR FUTURE	77.21	77.00	76.80	77.40	77.60	Sideways
GBPINR FUTURE	85.83	85.65	85.45	86.05	86.25	Sideways
JPYINR FUTURE	63.21	63.05	62.90	63.37	63.52	Sideways

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

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