

KEY HEADLINES:

- U.S. consumer prices were unchanged in September and underlying inflation retreated, supporting expectations the Federal Reserve will cut interest rates in October for the third time this year amid risks to the economy from trade tensions. A strong labor market could, however, complicate matters for the Fed amid divisions among officials on the appropriate response to the rising headwinds to growth. Other data on Thursday showed an unexpected decline in the number of Americans filing claims for unemployment benefits last week.
- The dollar slid to two-week lows on Thursday, with safe-haven demand for the currency waning as investors grew optimistic about progress toward a U.S.-China trade deal and agreement on Britain's exit from the European Union. Sterling jumped to a two-week high versus the dollar and posted its largest daily percentage gain in seven months on hopes of a Brexit resolution. The pound was last up 1.9% at \$1.2447. "With a Brexit deal looking more likely and U.S.-China talks showing more progress, it's just clear that the dollar is losing some safe-haven demand," said Juan Perez, senior currency trader, at Tempus Inc in Washington.
- Britain's economy looks to have dodged recession in the run-up to its deadline for leaving the European Union this month but the pace of growth has sagged as exporters felt the impact of the slowing world economy, official data showed on Thursday. Gross domestic product in the three months to August was 0.3% higher than in the previous three months, beating all forecasts in a Reuters poll of economists and accelerating from an upwardly revised 0.1% in the three months to July. But the stronger performance largely reflected revisions to earlier months and the most recent figures were weak.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German CPI (MoM) (Sep)	EUR	0.0%	-0.2%	MEDIUM
French CPI (MoM) (Sep)	EUR		0.5%	MEDIUM
Michigan Consumer Expectations (Oct)	USD	81.7	83.4	MEDIUM
Michigan Consumer Sentiment (Oct)	USD	92.0	93.2	MEDIUM
U.S. Baker Hughes Oil Rig Count	USD		710	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.18	71.07	70.96	71.28	71.38	Sideways
EURINR FUTURE	78.57	78.28	78.00	78.74	78.90	BULLISH
GBPINR FUTURE	87.26	87.03	86.80	87.40	87.55	BULLISH
JPYINR FUTURE	66.32	66.18	66.04	66.44	66.57	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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