

## KEY HEADLINES:

- An exchange of olive branches between Washington and Beijing on trade pushed the dollar to a six-week high against the safe-haven yen on Thursday and also supported the risk-sensitive currencies of China, Australia and South Korea. The world's two largest economies granted concessions in their heated tariff dispute on Wednesday ahead of planned talks. China exempted a basket of U.S. goods from its own tariffs while U.S. President Donald Trump said he would delay a scheduled tariff hike by two-weeks in October.
- Japan's machinery orders slipped in July, albeit at a slower-than-expected pace, as slowing global demand and protracted trade tensions hit corporate investment in the world's third-largest economy. Cabinet Office data on Thursday showed core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, fell 6.6% in July from the previous month. The drop was smaller than a 9.9% fall expected by economists in a Reuters poll and followed a sharp 13.9% rise in June, the biggest month-on-month gain since comparable data became available in 2005.
- The dollar rose on Wednesday as U.S. bond yields continued to edge higher on hot inflation data, while a retreat in the loonie amid falling U.S. crude prices also boosted the greenback. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, rose by 0.33% to 98.65. The Labor Department said its producer price index for final demand increased 0.1% last month, in line with economists' forecasts. In the 12 months through August, the PPI rose 1.8%, ahead of forecasts of 1.7%. The core PPI, which excludes food and energy prices, rose 0.3% in August, more than the 0.2% rise forecast. The year-on-year rise was 2.3%, edging above estimates of 2.2%.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Deposit Facility Rate (Sep)	EUR	-0.50%	-0.40%	HIGH
ECB Marginal Lending Facility	EUR		0.25%	HIGH
ECB Interest Rate Decision (Sep)	EUR	0.00%	0.00%	HIGH
CPI (YoY) (Aug)	INR	3.30%	3.15%	MEDIUM
Core CPI (MoM) (Aug)	USD	0.2%	0.3%	HIGH
Initial Jobless Claims	USD	215K	217K	MEDIUM

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.80	71.60	71.45	72.00	72.15	BEARISH
EURINR FUTURE	79.14	78.85	79.65	79.45	79.65	BEARISH
GBPINR FUTURE	88.72	88.40	88.20	89.00	89.20	BEARISH
JPYINR FUTURE	66.74	66.55	66.40	66.95	67.10	BEARISH

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

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