

KEY HEADLINES:

- The dollar edged lower for a second consecutive day on Wednesday on growing expectations of a U.S. rate cut next week while high-yielding currencies suffered due to ongoing trade tensions. Against a basket of its rivals .DXY , the dollar edged 0.1 percent lower to 96.64 and just above a 2-1/2 month low of 96.46 hit last week.
- Asian currencies traded narrowly on Wednesday, with the Thai baht and Indian rupee firming as investors looked to data that could raise prospects of an early cut in U.S. interest rates. Economic indicators in the United States have been a point of focus for emerging markets, given that sustained weakness in the economy could prompt immediate action from the Federal Reserve and drive money to regional currencies. Sino-U.S. trade tensions, meanwhile, kept markets cautious as U.S. President Donald Trump hardened his stance on trade talks with China.
- China's factory inflation slowed in May as faltering manufacturing hit demand, reinforcing worries about cooling growth in the world's second-largest economy, while a surge in food prices could add to consumer grievances about living costs. The slowdown was driven by declines in industrial commodities prices and was in line with the downbeat factory activity seen in May. It also comes amid China's worsening trade dispute with Washington, which analysts fear could trigger a global recession.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German CPI(MoM)(May)	EUR	0.2%	0.2%	Medium
Industrial Production(MoM)(Apr)	EUR	-0.5%	-0.3%	Medium
Export Price Index(MoM)(May)	USD	-0.1%	0.2%	Medium
Import Price Index(MoM)(May)	USD	-0.3%	0.2%	Medium
Initial Jobless Claims	USD	216K	218K	Medium

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.46	69.35	69.27	69.56	69.67	Bearish
EURINR FUTURE	78.74	78.66	78.45	78.90	79.10	Bearish
GBPINR FUTURE	88.48	88.20	87.80	88.70	89.00	Sideways
JPYINR FUTURE	64.16	64.00	63.78	64.31	64.50	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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