

KEY HEADLINES:

- U.S. import prices rose modestly in September and were lower for goods excluding oil, suggesting that imported inflation could remain subdued. The Labor Department said on Friday import prices increased 0.2% last month. Economists polled by Reuters had forecast import prices would be unchanged during the month. Data for August was revised to show import prices dropping 0.2% instead of the 0.5% decline previously reported. September's increase in prices was driven by higher petroleum costs, which rose 2.3%. Outside of petroleum, import prices were 0.1% lower. In the 12 months through September, import prices decreased 1.6%.
- The dollar dropped to a three-month low on Friday, as safe-haven buying eased and risk sentiment improved on optimism about U.S.-China trade negotiations as well as increased chances for an orderly British exit from the European Union. The dollar, however, cut losses against the euro and pared gains versus the yen after President Donald Trump announced a partial agreement on trade with China, specifically on intellectual property, financial services, and huge agricultural purchases. Moya, senior market analyst at OANDA in New York, said the dollar's moves after Trump's announcement were in line with the typical "buy the rumor, sell the news" reaction.
- China's exports likely fell at a slightly faster pace in September as softening global demand and U.S. tariffs bit more deeply, while imports shrank for a fifth straight month, suggesting pressure on the economy is increasing, a Reuters poll showed. More U.S. tariff measures against China are set to take effect on Oct. 15 and Dec. 15, unless the two sides can agree on to de-escalate their protracted trade war in negotiations in Washington this week. Hopes are growing for a partial deal that would at least delay a planned U.S. tariff increase next week. But even then, earlier ceasefires didn't last long and existing tit-for-tat duties are likely to remain in place, maintaining pressure on manufacturers.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
WPI Inflation (YoY) (Sep)	INR	0.90%	1.08%	MEDIUM
Industrial Production (MoM) (Aug)	EUR	0.3%	-0.4%	MEDIUM
CPI (YoY) (Sep)	INR	3.70%	3.21%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.14	71.03	70.94	71.24	71.36	Sideways
EURINR FUTURE	78.69	78.45	78.28	78.90	79.35	BULLISH
GBPINR FUTURE	89.67	89.30	89.00	90.00	90.30	BULLISH
JPYINR FUTURE	65.74	65.58	65.43	65.95	66.25	Sideways

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