

KEY HEADLINES:

- Japanese curbs on exports of key materials used by South Korean tech companies are not intended as retaliation in a feud over South Koreans who worked for Japanese firms during World War Two, a Japanese foreign ministry official said on Friday. The official, speaking to reporters on condition of anonymity, also said that the steps were "necessary measures related to security".
- 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.
- The Los Angeles and Long Beach port complex, the nation's busiest and the No. 1 for ocean trade with China, - handled 5.1% fewer inbound containers of cargo in June, as the trade standoff between Washington and Beijing disrupts global supply chains. Imports to the smaller Port of Long Beach dropped 13.7% from June 2018, more than offsetting the 3.5% gain at the Port of Los Angeles, which processed 396,306.5 20-foot equivalent units, a standardized maritime measurement for counting cargo containers.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
WPI Inflation (YoY) (Jun)	INR	2.35%	2.45%	MEDIUM
NY Empire State Manufacturing Index (Jul)	USD	0.50	-8.60	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	68.77	68.60	68.45	68.92	69.07	BULLISH
EURINR FUTURE	77.54	77.35	77.15	77.75	78.00	BULLISH
GBPINR FUTURE	86.27	86.10	85.90	86.45	86.65	BULLISH
JPYINR FUTURE	63.59	63.45	63.30	63.75	63.90	BULLISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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