

## KEY HEADLINES:

- The UK wants a post-Brexit trade deal with the EU but not "at any cost", Boris Johnson has told his cabinet. Mr Johnson also told his senior ministers that the talks are still "most likely" to end without an agreement, the PM's spokesman said. UK-EU officials are trying to agree a trade deal by 31 December, when the UK stops following EU trading rules. If no deal is reached, the UK and EU would trade under World Trade Organization rules. This outcome would lead to each side imposing taxes - or tariffs - on imported goods, potentially leading to higher prices.
- The US Dollar was bearish against all of its major pairs on Tuesday. On the US economic data front, Empire Manufacturing unexpectedly fell to 4.9 on month in December (6.3 expected), from 6.3 in November. Finally, Industrial Production rose 0.4% on month in November (+0.3% expected), compared to a revised +0.9% in October. On Wednesday, the Mortgage Bankers Association's Mortgage Applications data for the week ending December 11th is expected. Retail Sales Advance for November is expected to slip 0.3% on month, compared to +0.3% in October.
- U.S. manufacturing output increased more than expected in November, boosted by motor vehicle production, though momentum could slow as a fresh outbreak of COVID-19 infections keeps workers at home and temporarily shuts down factories. Other data on Tuesday suggested that a benign inflation environment could persist for a while, with import prices barely rising last month even as the dollar has weakened against the currencies of the United States' main trade partners.

## Economic Indicators to be released.

| Indicator               | Currency | Forecast | Previous | Impact |
|-------------------------|----------|----------|----------|--------|
| Flash Manufacturing PMI | EUR      | 53.0     | 53.8     | HIGH   |
| Flash Services PMI      | EUR      | 41.1     | 41.7     | HIGH   |
| Flash Manufacturing PMI | GBP      |          | 55.6     | HIGH   |
| Flash Services PMI      | GBP      | 50.5     | 47.6     | HIGH   |
| Core Retail Sales m/m   | USD      | 0.2%     | 0.2%     | HIGH   |
| Retail Sales m/m        | USD      | -0.2%    | 0.3%     | HIGH   |
| Flash Manufacturing PMI | USD      | 56.0     | 56.7     | HIGH   |
| Flash Services PMI      | USD      | 55.9     | 58.4     | HIGH   |

### Support Resistance Levels – Currency Future:

| Currency         | LTP   | S1    | S2    | R1    | R2    | Trend    |
|------------------|-------|-------|-------|-------|-------|----------|
| USDINR<br>FUTURE | 73.67 | 73.50 | 73.20 | 73.80 | 74.10 | BEARISH  |
| EURINR<br>FUTURE | 89.56 | 89.35 | 88.95 | 89.75 | 90.15 | Sideways |
| GBPINR<br>FUTURE | 98.27 | 98.00 | 97.50 | 98.50 | 99.00 | Sideways |
| JPYINR<br>FUTURE | 70.85 | 70.65 | 70.25 | 71.05 | 71.50 | BEARISH  |

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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