

KEY HEADLINES:

- U.S. homebuilding fell for a third straight month in July amid a steep decline in the construction of multi-family housing units, but a jump in permits to a seven-month high offered hope for the struggling housing market. Declining mortgage rates have done little to stimulate the housing market as land and labor shortages constrain builders' ability to construct sought-after lower-priced homes. Housing and manufacturing are the weakest spots in the economy, which this week has seen a heightened risk of recession.
- The dollar ended roughly flat on Friday, retracing the morning's move higher, after worries tied to trade tensions and a Federal Reserve rate cut weighed on consumer sentiment and a report that Germany may run a deficit to boost growth lifted the euro. Germany's right-left coalition government would be prepared to ditch its balanced budget rule and take on new debt to counter a possible recession, Der Spiegel magazine reported on Friday. The news lifted the euro against the dollar, but the single currency nevertheless remained 0.14% lower on the day at \$1.1091. reversed from over two-week lows to highs of \$1.1106 at mid-morning. The move higher came as reports circulated that Germany may shift to deficit fiscal spending should Germany head into recession," wrote analysts at Action Economics.
- Japanese manufacturers turned pessimistic about business prospects for the first time in more than six years in August as the specter of a global downturn looms large amid the escalating Sino-U.S. trade war, the monthly Reuters Tankan survey showed on Monday. Concerns about weakening global demand intensified last week after a closely watched bond market indicator pointed to the growing risk of a U.S. recession, and data showed Germany's economy was in contraction and China's was worsening.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Core CPI (YoY) (Jul)	EUR	0.9%	0.9%	MEDIUM
CPI (YoY) (Jul)	EUR	1.1%	1.1%	HIGH
CPI (MoM) (Jul)	EUR	-0.4%	0.2%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.20	71.00	70.85	71.40	71.65	Sideways
EURINR FUTURE	78.96	78.70	78.40	79.25	79.55	BEARISH
GBPINR FUTURE	86.58	86.30	86.00	86.80	87.10	Sideways
JPYINR FUTURE	66.97	66.80	66.65	67.20	67.35	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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