

KEY HEADLINES:

- The dollar weakened against its rivals on Tuesday, heading back towards a recent three-month low before a U.S. central bank meeting gets underway with expectations growing the Fed will signal its first rate cut in a decade. A CME Fedwatch tool puts the probability of a quarter-point interest rate cut by the Fed at 20%, with a 70% probability of a rate cut at its next meeting in July.
- Inflation in the euro zone slowed to 1.2% in May, the lowest rate in more than a year, as price growth in the energy and services sectors slackened, the European Union statistics agency said on Tuesday, confirming its earlier estimates. The final data is bad news for the European Central Bank (ECB), which targets a rate below but close to 2% and has promised further action if inflation does not pick up.
- The euro dropped and German government bond yields fell to -0.30% for the first time on Tuesday after European Central Bank chief Mario Draghi said the bank would provide more stimulus if inflation failed to pick up. The euro zone's central bank will need to ease policy again, possibly through new rate cuts or asset purchases, if inflation doesn't head back to its target, Draghi told the ECB's annual conference in Sintra, Portugal. exacerbated the dash for bonds, already in play as investors fret about the world economy, the impact of trade wars and the simmering Iran-U.S. tensions in the Gulf.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German PPI (MoM) (May)	EUR	0.2%	0.5%	MEDIUM
CPI (YoY) (May)	GBP	2.0%	2.1%	HIGH
PPI Input (MoM) (May)	GBP	0.2%	1.1%	MEDIUM
CBI Industrial Trends Orders (Jun)	GBP	-12	-10	MEDIUM
Crude Oil Inventories	USD	-2.033M	2.206M	HIGH
Fed Interest Rate Decision	USD	2.50%	2.50%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.76	69.60	69.46	69.90	70.05	BEARISH
EURINR FUTURE	78.20	78.02	77.85	78.37	78.50	BEARISH
GBPINR FUTURE	87.46	87.28	87.10	87.62	87.80	BEARISH
JPYINR FUTURE	64.47	64.34	64.20	64.60	64.74	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

Disclaimer:

This report, which contains information based on research carried by or on behalf of Bonanza Portfolio Limited, is neither advice nor any offer to sell or a solicitation to buy any securities, it contains information for the intended recipient only and no other person. Further the intended recipient is also advised to exercise restraint in placing any dependence on this report, as the sender, Bonanza Portfolio Limited, neither claims nor guarantees the accuracy of any information neither contained herein nor assumes any responsibility in relation to losses arising from the errors of fact, opinions contained herein or the dependence placed on the same. The information herein may change any time due to the volatile market conditions, and may not be accurate, complete or exhaustive, the recipient therefore is advised to use his own discretion and judgment, while entering into any transactions, whatsoever. Further, Bonanza, its directors employees and associates may or may not have trading or investment positions in the securities mentioned herein.