

KEY HEADLINES:

- The Bank of Japan kept monetary policy steady on Thursday, preferring to save its dwindling ammunition as a darkening global growth outlook prompts other major central banks to drop hints of additional stimulus. But the BOJ stressed anew that global risks were increasing as trade tensions and uncertainty over U.S. economic policies jolt financial markets, signaling that it, too, is leaning more toward ramping up - not whittling down - monetary support.
- The U.S. dollar slid to its lowest level in three months against a currency basket on Thursday after the Federal Reserve indicated that it is prepared to cut interest rates to combat low inflation and slowing growth. The U.S. central bank left borrowing costs unchanged on Wednesday, but suggested it could ease monetary policy as early as next month amid mounting concerns over the economic impact of global trade tensions and subdued inflation. The Fed dropped its pledge to be patient, instead saying it will “act as appropriate to sustain the expansion” and to “closely monitor the implications of incoming information for the economic outlook.”
- Cold weather in May prompted the biggest drop in British retail sales this year as shoppers delayed buying summer clothes, adding to signs that the economy, struggling for momentum ahead of Brexit, is set for a weak second quarter. Monthly retail sales volumes contracted 0.5%, the Office for National Statistics said, as expected in a Reuters poll of economists and following a 0.1% fall in April. Compared with May 2018, sales rose by the least since October last year, up 2.3%. The Reuters poll had pointed to growth of 2.7%.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Services PMI (Jun)	EUR	51.5	51.5	MEDIUM
German Manufacturing PMI (Jun)	EUR	44.5	44.3	HIGH
German Services PMI (Jun)	EUR	55.4	55.4	MEDIUM
Services PMI (Jun)	USD	51.0	50.9	MEDIUM
Existing Home Sales	USD	5.29M	5.19M	HIGH
U.S. Baker Oil Rig Count	USD		788	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.51	69.35	69.20	69.65	69.80	BEARISH
EURINR FUTURE	78.65	78.45	78.25	78.85	79.05	BULLISH
GBPINR FUTURE	88.32	88.10	87.90	88.50	88.70	BULLISH
JPYINR FUTURE	64.51	64.35	64.20	64.65	64.80	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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