

KEY HEADLINES:

- The U.S. dollar was hovering just below three-week highs in subdued trade on Wednesday as investors looked ahead to the minutes of the Federal Reserve’s July meeting later in the day for fresh clues on the monetary policy outlook. The Fed cut rates for the first time since 2008 last month in what Chairman Jerome Powell called a “mid-cycle adjustment.” Financial markets are still expecting further rate cuts before the end of the year against a background of heightened trade tensions and slowing growth.
- Britain posted a smaller-than-expected budget surplus in July as government expenditure rose, underlining budget constraints on new Prime Minister Boris Johnson as he promises to boost spending ahead of Brexit. The surplus, excluding state-owned banks, stood at 1.319 billion pounds, compared with 3.562 billion pounds in July 2018, official data showed on Wednesday. This was well below the median forecast of 2.7 billion pounds in a Reuters poll of economists.
- The euro struggled to make headway against a resilient dollar on Wednesday while foreign exchange markets remained largely calm ahead of a crucial meeting of central bankers later this week. After markets rushed over the last two months to price in significant easing from central banks in the United States and Europe, the outlook for euro/dollar will depend largely on whether or not policymakers live up to those expectations. Officials from major central banks will gather at Jackson Hole, Wyoming, on Friday with markets focused on a scheduled speech by U.S. Federal Reserve Chair Jerome Powell.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Manufacturing PMI (Aug)	EUR	49.5	49.7	MEDIUM
German Manufacturing PMI (Aug)	EUR	43.0	43.2	HIGH
Manufacturing PMI (Aug)	EUR	46.2	46.5	MEDIUM
Initial Jobless Claims	USD	216K	220K	MEDIUM
Manufacturing PMI (Aug)	USD	50.5	50.4	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.58	71.40	71.25	71.80	71.95	Sideways
EURINR FUTURE	79.51	79.30	79.10	79.80	80.00	Sideways
GBPINR FUTURE	86.80	86.55	86.35	87.05	87.25	Sideways
JPYINR FUTURE	67.26	67.05	66.90	67.45	67.60	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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