

KEY HEADLINES:

- The dollar was crawling toward its worst month since January 2018 on Monday as intermittent waves of Brexit optimism pushed the pound to a 5-1/2 month high and kept the euro's bumper October intact. Although Prime Minister Boris Johnson this weekend was forced by his opponents to send a letter to Brussels seeking a delay to Britain's departure from the European Union as UK lawmakers delayed a vote on a reworked Brexit deal, the currency market reflected tentative hopes that it would eventually be passed. Johnson will again try to put his Brexit deal to a vote in parliament on Monday. the dollar, sterling was last up 0.1% in North American trade, having earlier broken above \$1.30 for the first time in 5-1/2 months. The euro was 0.18% higher against the dollar , having also been lifted by Brexit optimism this month by 2.23%.
- New home prices in China grew at a steady pace in September, with fewer cities reporting price gains, a relief for policymakers who remain wary of high debt and bubble risk and are refraining from stimulating the sector as the economy cools. The property sector has held up as one of the few bright spots in the world's second-largest economy with other parts hit as factories struggle to land new orders from abroad amid Beijing's bruising trade war with the United States. Average new home prices in China's 70 major cities rose 0.5% in September from August, when it also grew at the same pace -the slowest since February, Reuters calculated based on National Bureau of Statistics (NBS) data on Monday.
- Signs that the U.S. and China were making progress in efforts to resolve their trade dispute supported both the dollar and trade-exposed Asian currencies on Tuesday, while the Canadian dollar rose as voters went to the polls in a closely-fought election. The volatile pound sat just under a 5-1/2-month high at \$1.2962, with the Brexit project in disarray but traders looking to another crucial parliamentary vote on Tuesday to determine the next step. President Donald Trump said in Washington that work toward ending the U.S.-China dispute was going well, while White House adviser Larry Kudlow said tariffs scheduled for December could be withdrawn if progress is made. Commerce Secretary Wilbur Ross said that while a deal may not be finalised next month, that was less important than securing "the right deal," following Chinese Vice Premier and chief negotiator Liu He saying last week that Beijing is approaching talks from a basis of mutual respect.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
CBI Industrial Trends Orders (Oct)	GBP	-18	-28	MEDIUM
Existing Home Sales (Sep)	USD	5.45M	5.49M	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.20	71.08	70.96	71.34	71.48	Sideways
EURINR FUTURE	79.32	79.17	79.02	79.43	79.56	BULLISH
GBPINR FUTURE	91.74	91.37	91.00	92.01	92.28	BULLISH
JPYINR FUTURE	65.57	65.44	65.32	65.73	65.90	Sideways

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