

## KEY HEADLINES:

- The dollar was supported on Monday, with the market's risk appetite delicately balanced after talks in Washington between U.S. and Chinese trade deputies were described as "productive". The greenback gained against the safe-haven yen, but edged lower versus trade-exposed currencies, such as the Australian and New Zealand dollars, which rallied on the cautious risk-on mood. Moves were relatively slight, however, with volumes dampened by a public holiday in Japan and by the anticipation that central banks on both sides of the Tasman Sea will sound dovish in scheduled remarks this week.
- The Federal Reserve "isn't on a preset course" and will be "taking things meeting by meeting", vice-chairman Richard Clarida told CNBC Friday. Clarida also indicated that the Fed will soon take action to address the liquidity shortages that have plagued funding markets this week, but would not restart outright purchases of bonds, a program known as quantitative easing.
- The U.S. dollar rose against a basket of currencies on Friday, putting it on track for its first weekly increase in three, prompted by hopes of progress in U.S.-China trade talks and that the Federal Reserve would not lower rates aggressively. Sterling retreated from a two-month high versus the greenback after the Irish foreign minister said that London and the European Union were not yet close to a Brexit deal. U.S. and Chinese deputy trade negotiators are set to continue talks that began on Thursday in an effort to lay the groundwork for high-level discussions in early October that will determine whether the world's biggest economies can reach a trade deal. tariffs and worries about protracted supply-chain disruption have hampered global business activity, the U.S. economy is still faring relatively well, analysts said

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Manufacturing PMI (Sep)	EUR	51.2	51.1	MEDIUM
French Services PMI (Sep)	EUR	53.2	53.4	MEDIUM
German Manufacturing PMI (Sep)	EUR	44.0	43.5	HIGH
German Services PMI (Sep)	EUR	54.3	54.8	MEDIUM
Manufacturing PMI (Sep)	USD	50.3	50.3	MEDIUM
Services PMI (Sep)	USD	51.5	50.7	MEDIUM

### **Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.06	70.85	70.70	71.25	71.40	BEARISH
EURINR FUTURE	78.50	78.20	78.00	78.80	79.00	BEARISH
GBPINR FUTURE	88.86	88.55	88.30	89.15	89.40	Sideways
JPYINR FUTURE	65.53	65.30	65.15	65.75	65.90	BEARISH

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