

## KEY HEADLINES:

- The euro nursed losses on Tuesday after weak readings on German manufacturing rattled confidence, while the dollar found broad support as investors looked for signs of progress from Sino-U.S. trade negotiations. The single currency shed 0.2% overnight after a survey showed European business activity stalling, and in fact going backwards in powerhouse Germany where a manufacturing recession deepened held around \$1.0990 in Asian hours, while the dollar edged higher against the Japanese yen to buy 107.58 yen and held its ground on the Australian and New Zealand dollars. Against a basket of currencies , the dollar edged higher to 98.621
- Italy will cut its target for economic growth next year to around 0.6%, three sources close to the matter told Reuters on Monday, as the government prepares its 2020 budget to be presented to parliament later this month. The previous target, issued in April, envisaged growth of 0.8%. Growth this year is now seen at just 0.1%, compared with an April projection of 0.2%. Under an unchanged policy scenario, gross domestic product next year would be around 0.4%, which will be bolstered slightly by growth enhancing measures in the budget, said two of the sources who asked not to be named.
- The euro was weaker on Monday after data showed that Germany's private sector shrank for the first time in more than six years, raising concerns over a deepening recession in the euro zone's biggest economy. Markit's flash composite purchasing managers' index (PMI), which tracks the manufacturing and services sectors that together account for more than two-thirds of the economy, fell to 49.1 from 51.7 in the previous month. Meanwhile, sterling stumbled after the European Union's Brexit negotiator said it was unlikely a Brexit deal would be made as long as U.K. Prime Minister Boris Johnson insisted the Irish backstop deal be dropped.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Business Expectations (Sep)	EUR	91.8	91.3	MEDIUM
German Current Assessment (Sep)	EUR	97.0	97.3	MEDIUM
German Ifo Business Climate Index (Sep)	EUR	94.5	94.3	HIGH
CBI Industrial Trends Orders (Sep)	GBP	-14	-13	MEDIUM
S&P C/S HPI Composite-20 n.s.a. (YoY) (Jul)	USD	2.2%	2.1%	MEDIUM
CB Consumer Confidence (Sep)	USD	134.1	135.1	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
<b>USDINR FUTURE</b>	<b>71.97</b>	<b>71.80</b>	<b>71.65</b>	<b>72.20</b>	<b>72.35</b>	<b>BEARISH</b>
<b>EURINR FUTURE</b>	<b>77.96</b>	<b>77.70</b>	<b>77.50</b>	<b>78.25</b>	<b>78.45</b>	<b>BEARISH</b>
<b>GBPINR FUTURE</b>	<b>88.31</b>	<b>88.00</b>	<b>87.80</b>	<b>88.60</b>	<b>88.80</b>	<b>Sideways</b>
<b>JPYINR FUTURE</b>	<b>66.07</b>	<b>65.85</b>	<b>65.70</b>	<b>66.25</b>	<b>66.40</b>	<b>BEARISH</b>

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