

KEY HEADLINES:

- Sales of new U.S. single-family homes rebounded sharply in June, but sales for the prior three months were revised down, indicating that the housing market continued to tread water despite lower mortgage rates and a strong labor market. Other data on Wednesday showed manufacturing activity slowing to a near 10-year low in early July, with production volumes and purchases falling. Weak housing and manufacturing are offsetting strong consumer spending, holding back the economy and posing a threat to the longest expansion in history.
- The euro was mired near a two-month low on Thursday ahead of a European Central Bank meeting that could signal monetary easing as growth in the currency zone falters. Sentiment towards the single currency took a blow after data showed Germany's manufacturing sector contracted at the fastest pace in seven years while French business growth unexpectedly slowed, sending European bond yields lower.
- Major British employers gave average pay rises of 2.5% to their staff in the three months to June, unchanged from the first quarter of the year, data from industry consultants XpertHR showed on Thursday. "The current run of pay awards at 2.5% looks set to continue as we head into the quieter months of the pay bargaining year," XpertHR analyst Sheila Attwood said. Until about a year ago annual pay settlements in Britain averaged around 2%, but they have risen as employers found it harder to recruit staff.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Ifo Business Climate Index	EUR		97.4	HIGH
Deposit Facility Rate	EUR	-0.40%	-0.40%	HIGH
ECB Marginal Lending Facility	EUR	0.25%	0.25%	HIGH
ECB Interest Rate Decision (Jul)	EUR	0.00%	0.00%	HIGH
Core Durable Goods Orders (MoM) (Jun)	USD	0.1%	0.4%	HIGH
Initial Jobless Claims	USD	220K	216K	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.01	68.80	68.65	69.15	69.30	Sideways
EURINR FUTURE	77.01	76.80	76.60	77.20	77.40	BEARISH
GBPINR FUTURE	86.34	86.15	85.95	86.55	86.75	Sideways
JPYINR FUTURE	63.90	63.75	63.60	64.05	64.20	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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