

## KEY HEADLINES:

- The dollar stumbled on Friday after President Donald Trump ordered U.S. companies to start looking for an alternative to China as Beijing imposed more tariffs on American goods, further exacerbating a prolonged trade war between the world's two largest economies. That triggered mass selling in the dollar, which fell from a three-week high against the euro and to one-week troughs versus the Japanese yen and Swiss franc. Benchmark U.S. 10-year Treasury yields also fell sharply. The dollar, however, strengthened against the Chinese yuan in the offshore market, hitting a two-week high.
- Argentine executives and graduates shocked by President Mauricio Macri's drubbing in elections this month have begun calling and emailing in droves in search of work in Brazil, Chile and Colombia, head hunters and visa advisers told Reuters. Executive search specialists say the resumes that have deluged their offices in those countries reached a peak after Macri lost ground to a centre-left Peronist challenger in the Aug. 11 primary elections, causing the peso to plummet in value. Leftist Alberto Fernandez is now the front-runner ahead of an Oct. 27 general election and has said he will seek to renegotiate a \$57 billion loan International Monetary Fund deal agreed by Macri amid growing fears of a default.
- China's yuan hit an 11-year low in onshore trade and tumbled to a record low in offshore trade after a sharp re-escalation in the U.S.-China trade war whacked investor confidence and darkened the global economic outlook. The yen, often bought in times of uncertainty as a safe haven, pared early gains versus the dollar due to Japanese importers' selling, but remained firmer against other currencies in a sign of waning risk appetites. Gold prices leapt higher and benchmark Treasury yields hit their lowest since July 2016 as investors fled to safer assets.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Business Expectations (Aug)	EUR	91.5	92.2	MEDIUM
German Current Assessment (Aug)	EUR	98.6	99.4	MEDIUM
German Ifo Business Climate Index (Aug)	EUR	95.1	95.7	HIGH
Cap Goods Ship Non Defense Ex Air (MoM)	USD		0.3%	MEDIUM
Core Durable Goods Orders (MoM) (Jul)	USD	0.1%	1.0%	HIGH
Durable Goods Orders (MoM) (Jul)	USD	1.1%	1.9%	MEDIUM

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.72	71.50	71.35	71.90	72.05	Sideways
EURINR FUTURE	79.33	79.00	78.80	79.60	79.80	Sideways
GBPINR FUTURE	87.80	87.50	87.30	88.10	88.30	BULLISH
JPYINR FUTURE	67.25	67.05	66.90	67.45	67.60	Sideways

### **RESEARCH BONANZA FOREIGN CURRENCY SEGMENT**

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