

## KEY HEADLINES:

- The sense of that major markets are now starting to brace themselves for the impact of the key note speech of Fed chair Jerome Powell at the Jackson Hole Economic Symposium. Powell gives his speech tomorrow at 1410BST and it could be a momentous occasion. He is expected to lay out the pathway of forward guidance as the Federal Reserve navigates for monetary policy in the coming months and potentially years. This could have a significant impact on Treasury yields, the US dollar and across major markets.
- USDJPY has been ticking higher over the last couple of days, though in the five-month picture it is still in a descending movement. Currently, the price is flirting with the 40-day simple moving average (SMA), while the RSI is hovering around its 50 level. Also, the MACD is moving higher in the negative territory, indicating an upside retracement in the short-term.
- Even as the stock market is at all-time highs, interest rates are close to all-time lows. This scenario makes sense, as lower rates generally equate to more valuable stocks. As such, this is indeed a condition that has supported values. Looking forward, though, there simply is very little room for rates to keep dropping. More, with the Fed now looking to get inflation back to higher levels—and quite possibly on the verge of explicitly endorsing higher inflation for a time—the possibility of higher rates is real, although likely not immediate.

## Economic Indicators to be released.

| Indicator              | Currency | Forecast | Previous | Impact |
|------------------------|----------|----------|----------|--------|
| Prelim GDP q/q         | USD      | -32.5%   | -32.9%   | MEDIUM |
| Unemployment Claims    | USD      | 1000K    | 1106K    | MEDIUM |
| Pending Home Sales m/m | USD      | 2.5%     | 16.6%    | MEDIUM |
| Natural Gas Storage    | USD      | 39B      | 43B      | MEDIUM |
|                        |          |          |          |        |
|                        |          |          |          |        |
|                        |          |          |          |        |
|                        |          |          |          |        |

### Support Resistance Levels – Currency Future:

| Currency         | LTP   | S1    | S2    | R1    | R2    | Trend    |
|------------------|-------|-------|-------|-------|-------|----------|
| USDINR<br>FUTURE | 74.28 | 74.15 | 73.80 | 74.45 | 74.80 | Sideways |
| EURINR<br>FUTURE | 87.75 | 87.50 | 87.00 | 88.00 | 88.50 | BEARISH  |
| GBPINR<br>FUTURE | 97.65 | 97.35 | 96.75 | 97.95 | 98.55 | BEARISH  |
| JPYINR<br>FUTURE | 69.95 | 69.80 | 69.50 | 70.10 | 70.40 | Sideways |

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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*SEBI Regn. No.: INZ000212137*

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