

## KEY HEADLINES:

- New Zealand's central bank held interest rates steady on Wednesday but said further cuts to borrowing costs may be needed given growing economic risks at home and abroad. The Reserve Bank of New Zealand (RBNZ) kept the official cash rate (OCR) at a record low of 1.50%, as expected, and in a strikingly dovish statement warned that a global slowdown is hurting the domestic economy amid intensifying trade risks. "The global economic outlook has weakened, and downside risks related to trade activity have intensified," the RBNZ said.
- The dollar rose on Wednesday as expectations dwindled for aggressive cuts in U.S. interest rates after comments by Federal Reserve officials. Fed Chairman Jerome Powell stressed the central bank's independence from U.S. President Donald Trump, who is pushing for rate cuts. St. Louis Fed President James Bullard, considered one of the most dovish U.S. central bankers, surprised some investors by saying a 50-basis-point cut in rates "would be overdone." dollar fell last week after policymakers opened the door to rate cuts in coming months. Some traders thought the Fed might cut rates by as much as 50 basis points next month.
- U.S. consumer confidence tumbled to a 21-month low in June as households grew a bit more pessimistic about business and labor market conditions amid concerns about a recent escalation in trade tensions between the United States and China.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German CPI (MoM) (Jun)	EUR	0.1%	0.2%	MEDIUM
GDP (QoQ) (Q1)	USD	3.1%	3.1%	HIGH
GDP Price Index (QoQ) (Q1)	USD	0.8%	0.5%	MEDIUM
Initial Jobless Claims	USD	220K	216K	MEDIUM
Pending Home Sales (MoM) (May)	USD	1.0%	-1.5%	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.57	69.42	69.28	69.71	69.86	BEARISH
EURINR FUTURE	79.28	79.10	78.90	79.50	79.70	BEARISH
GBPINR FUTURE	88.44	88.25	88.05	88.65	88.85	BEARISH
JPYINR FUTURE	64.74	64.60	64.45	64.90	65.05	BEARISH

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

**Disclaimer:**

This report, which contains information based on research carried by or on behalf of Bonanza Portfolio Limited, is neither advice nor any offer to sell or a solicitation to buy any securities, it contains information for the intended recipient only and no other person. Further the intended recipient is also advised to exercise restraint in placing any dependence on this report, as the sender, Bonanza Portfolio Limited, neither claims nor guarantees the accuracy of any information neither contained herein nor assumes any responsibility in relation to losses arising from the errors of fact, opinions contained herein or the dependence placed on the same. The information herein may change any time due to the volatile market conditions, and may not be accurate, complete or exhaustive, the recipient therefore is advised to use his own discretion and judgment, while entering into any transactions, whatsoever. Further, Bonanza, its directors employees and associates may or may not have trading or investment positions in the securities mentioned herein.