

KEY HEADLINES:

- U.S. consumer confidence fell less than expected in August, with households still upbeat about the labor market despite an escalation in trade tensions, which has cast a shadow over the longest economic expansion in history. While the survey from the Conference Board on Tuesday did not change expectations that the Federal Reserve will cut interest rates again next month, it further reduced the chances of an aggressive easing to counter the effects of the U.S.-China trade war, including tighter financial conditions.
- Pressure was back on the dollar on Wednesday, as nagging fears the Sino-U.S. trade war will drag on and severely hurt economic growth led to yet another slide in U.S. bond yields. The dollar index against a basket of six major currencies stood little changed at 98.013 after dipping 0.1% overnight. The greenback started on a shaky footing this week, but then recovered as safe-haven Treasury yields bounced from multi-year lows after U.S. President Donald Trump softened his tone against China and predicted the two countries would be able to reach a trade deal.
- The yields on U.S. 10-year Treasury Inflation Protected Securities slipped deeper into negative territory on Tuesday as a result of intense demand for bonds due to trade and economic anxiety. At 12:39 p.m. (1639 GMT), 10-year TIPS yields were -0.056%, compared with 0.001% late on Monday, retreating from -0.006% earlier Tuesday. On Monday, they touched -0.094%, which was last seen in June 2013, according to Tradeweb and Refinitiv data.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Gfk German Consumer Climate	EUR	9.6	9.7	MEDIUM
Crude Oil Inventories	USD	-2.112M	-2.700M	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.49	71.30	71.15	71.70	71.85	BULLISH
EURINR FUTURE	79.43	79.15	78.95	79.75	80.00	BULLISH
GBPINR FUTURE	87.64	87.35	87.15	87.95	88.15	BULLISH
JPYINR FUTURE	67.57	67.35	67.20	67.75	67.90	BULLISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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