

KEY HEADLINES:

- The dollar held on to gains made in its recovery from recent lows on Thursday on hopes that the United States and China will agree to a trade truce before a G20 summit this weekend, although investor sentiment remained fragile. The two countries have agreed to a tentative truce in their trade dispute, Hong Kong's South China Morning Post cited sources as saying, ahead of U.S. President Donald Trump and Chinese President Xi Jinping's meeting on Saturday. supported buying of the dollar, which had weakened in recent weeks on expectations the Federal Reserve would cut interest rates and buying of safe-haven currencies such as the Japanese yen by investors worried about the trade conflict.
- Inflation edged closer to the European Central Bank's target in German states in June, data showed on Thursday, but analysts said the figures are unlikely to prompt a reversal of its decision not to raise interest rates in the coming year. The ECB aims to keep inflation in the euro zone close to, but just below, 2% a year. Earlier this month, it opened the door to cutting rates or buying more bonds, as risk factors such as trade wars dragged down the euro zone economy.
- London's FTSE 100 rose on Thursday after a report that the United States and China had agreed to a tentative truce in their trade dispute drove solid gains in Asia-exposed financial stocks and miners. The FTSE 100 added 0.3% and the mid-cap FTSE 250 was up 0.2% by 0749 GMT. The South China Morning Post (SCMP), citing sources, said Washington and Beijing had agreed to a truce before leaders of the two nations meet at the G20 summit, putting the next round of U.S. tariffs on more Chinese goods on hold. helped shares of HSBC and Prudential boost the blue-chip index, while miners such as Rio Tinto and BHP also provided support as copper prices strengthened.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French CPI (MoM)	EUR	0.0%	0.8%	MEDIUM
Business Investment (QoQ) (Q1)	GBP	0.5%	0.5%	MEDIUM
GDP (YoY) (Q1)	GBP	1.8%	1.8%	HIGH
GDP (QoQ) (Q1)	GBP	0.5%	0.5%	HIGH
CPI (YoY) (Jun)	EUR	1.2%	1.2%	HIGH
Personal Spending (MoM) (May)	USD	0.4%	0.3%	MEDIUM
U.S. Baker Hughes Oil Rig Count	USD		789	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.36	69.20	69.06	69.52	69.67	BEARISH
EURINR FUTURE	79.09	78.90	78.70	79.30	79.50	BEARISH
GBPINR FUTURE	88.29	88.10	87.90	88.50	88.70	BEARISH
JPYINR FUTURE	64.46	64.30	64.16	64.62	64.76	BEARISH

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