

## KEY HEADLINES:

- The dollar rose on Wednesday, but the moves were small and range-bound as a deepening inversion of the U.S. yield curve stoked investor anxiety about a recession just days before U.S. and Chinese retaliatory tariffs on each other's imports are set to go into effect. U.S. Trade Representative's office on Wednesday reaffirmed President Donald Trump's plans to impose an additional 5% tariff on a list of \$300 billion of Chinese imports starting on Sept. 1 and Dec. 15. safe-haven yen stood at 106.07 per dollar, 0.32% weaker on the day, but nevertheless close to its 2-1/2-year high of 104.44 hit on Monday.
- U.S. mortgage applications recorded their biggest weekly drop in over four months as home borrowing costs posted their first broad increase in six weeks, the Mortgage Bankers Association said on Wednesday. Mortgage rates rose last week prompted by volatility in the Treasuries markets as investors fretted over the trade conflict between China and the United States and its impact on an already softening global economy. This uncertain outlook will likely curb interest in home buying and potential borrowers from seeking a mortgage.
- The dollar held gains against the safe-haven yen on Thursday as ebbing recession worries soothed markets after earlier volatility although the pound nursed its losses as investors became increasingly worried about a hard Brexit. Sterling fell 0.6% against the greenback on Wednesday after British Prime Minister Boris Johnson moved to suspend parliament, seen as a bid to limit debate ahead of the Oct. 31 deadline for the UK to leave the European Union. That increased expectations of a "no-deal Brexit," which would mean a departure without trading agreements in place.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French GDP (QoQ) (Q1)	EUR	0.2%	0.2%	MEDIUM
German Unemployment Change (Aug)	EUR	4K	1K	HIGH
GDP (QoQ) (Q2)	USD	2.0%	2.1%	HIGH
German CPI (MoM) (Aug)	EUR	-0.1%	0.5%	MEDIUM
Initial Jobless Claims	USD	215K	209K	MEDIUM
Pending Home Sales (MoM) (Jul)	USD	0.1%	2.8%	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	72.04	71.85	71.70	72.25	72.40	BULLISH
EURINR FUTURE	80.08	79.80	79.60	80.40	80.60	BULLISH
GBPINR FUTURE	88.04	87.75	87.55	88.35	88.55	BULLISH
JPYINR FUTURE	68.19	68.00	67.85	68.40	68.55	BULLISH

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

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