

KEY HEADLINES:

- Choppy Euro price action Wednesday this week marks the start of a new month, a new quarter and a new half year, when market folklore suggests that asset managers such as hedge funds, pension funds and insurance companies rebalance their portfolios. While it is hard to know whether or not that is true, profit taking in assets that have outperformed and dip buying of those that have underperformed is forecast to result in larger than normal flows as investment managers make sure the balance in their portfolios is returned to where they would like it to be.
- Profits at China's big industrial firms increased in May for the first time since the coronavirus outbreak as China's economy shows signs of recovery. In May, the profits of industrial firms saw a year-on-year increase of 6 per cent, from a decrease of 4.3 per cent year-on-year in April, data from the National Bureau of Statistics (NBS) released on Sunday showed. Total profits in May reached 582.34 billion yuan (US\$82 billion).
- GBPUSD has been making tiny steps within the 1.2400 area in the four-hour chart over the past two days, sending an early warning that some volatility, or a more noticeable move, may soon emerge in the market. Technically, there are several reasons to believe that a downside correction is more likely to occur. First, the price hit a strong wall in the crossroads of a support-turned-resistance trendline and a downward-sloping trendline on Wednesday and instead drifted lower, keeping the downtrend started earlier this month intact.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Prelim CPI m/m	EUR	0.3%	-0.1%	MEDIUM
Spanish Flash CPI y/y	EUR	-0.9%	-0.9%	MEDIUM
Pending Home Sales m/m	USD	18.9%	-21.8%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.82	75.65	75.30	76.00	76.35	Sideways
EURINR FUTURE	85.14	84.90	84.40	85.35	85.80	BEARISH
GBPINR FUTURE	94.08	93.85	93.25	94.35	95.00	BEARISH
JPYINR FUTURE	70.97	70.80	70.50	71.20	71.55	Sideways

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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