

KEY HEADLINES:

- The US dollar slide has entered the early stages of what looks to be a sharp descent, having already fallen by 4.3 per cent in the four months ending in August in terms of its real effective exchange rate – the index that matters the most for trade, competitiveness, inflation and monetary policy. This recent pullback comes after its nearly 7 per cent surge from February to April, when the dollar benefited from the flight to safety triggered by the Covid-19 economic shock. But even with the recent modest correction, the dollar remains the most overvalued major currency in the world.
- Many investors are eyeing the politics surrounding the U.S. elections as a major factor for the market in the coming months. But, the politics of a potential return to national lockdowns in response to the resurgence of COVID-19 cases may be a bigger potential market mover for investors to consider. A widespread return to national lockdowns would likely mean a return to recession for the global economy and a bear market for stocks.
- The US Dollar was bearish against all of its major pairs on Monday. On the US economic data front, no major economic data was released. On Tuesday, Wholesale Inventories for the August preliminary reading are expected to decline 0.1% on month, compared to -0.3% in the July final reading. Finally, the Conference Board's Consumer Confidence Index for September is expected to spike to 90.0 on month, from 84.8 in August. The Euro was bullish against most of its major pairs with the exception of the AUD, CHF and GBP. In Europe, no major stats were released.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
CB consumer confidence	USD	90.0	84.8	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.89	73.75	73.40	74.05	74.40	Sideways
EURINR FUTURE	86.19	86.00	85.60	86.40	86.80	BULLISH
GBPINR FUTURE	95.36	95.10	94.60	95.60	96.10	BULLISH
JPYINR FUTURE	70.16	69.95	69.55	70.35	70.75	Sideways

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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