

## KEY HEADLINES:

- The dollar surged on Wednesday to a one-year high against major currencies, boosted by increased expectations for a reduction in the U.S. Federal Reserve's asset purchases starting in November and an interest rate hike, possibly in late 2022.
- The greenback also fared well despite an impasse in Washington over the U.S. debt ceiling that threatened to plunge the government into a shutdown.
- The world's largest reserve currency, seen as a safe-haven bet at times of market stress, has strengthened in recent days as investors instead focused on fears of a global slowdown, a rise in energy prices and higher U.S. Treasury yields. Traders are also concerned that the Fed will start to withdraw policy support just as global growth slows.
- The dollar index - which measures the U.S. currency against a basket of six major currencies - rose for the fourth consecutive day, to 94.435, its highest since late September of last year. It was last up 0.7% at 94.404.
- The euro was among the currencies to lose ground, falling below the \$1.16 level , the lowest since late July 2020. It last traded down 0.8% at \$1.1592.
- The yen, the currency most sensitive to U.S. yields as higher rates can attract flows from Japan, touched an 18-month low against a resurgent dollar. The dollar climbed as high as 112.04, its strongest level since late February last year, and was last up 0.4% at 111.99 yen.
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## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Manufacturing PMI	CNY	50	50.1	HIGH
Final GDP q/q	USD	6.6%	6.6%	MEDIUM
Chicago PMI	USD	64.9	66.8	MEDIUM

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	74.43	74.25	73.95	74.65	75	BULLISH
EURINR FUTURE	86.76	86.55	86.30	87.10	87.30	BEARISH
GBPINR FUTURE	100.40	100.35	100	101.10	101.75	BEARISH
JPYINR FUTURE	66.85	66.50	66.20	67	67.30	BEARISH

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Disclosure:

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*SEBI Regn. No.: INZ000212137*

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