

KEY HEADLINES:

- The U.S. dollar was flat on Friday after data showed that consumers spent less and companies cut their equipment orders in August. Consumer spending on goods and services rose 0.1% in August, while durable goods orders inched up 0.2% compared to a rise of 2% in July, according to separate reports from the Commerce Department. The numbers suggest that the economy is cooling after a strong acceleration in the second quarter, putting focus on next week's monthly jobs report. Federal Reserve officials cut interest rates by a quarter point for the second time in two months due to slowing growth in the global economy and worries about trade.
- It's no longer a probability, it's a reality: the escalating U.S.-China trade war and the strengthening dollar appear to be inflicting measurable damage on U.S. goods makers that rely on global markets. Market participants will get a picture of the extent to which trade tensions and currency have hurt U.S. manufacturers when the Institute for Supply Management (ISM) releases its purchasing managers index (PMI) for September on Tuesday. Its August report showed the manufacturing sector, which accounts for about 12% of the U.S. economy, contracting in for the first time in 3-1/2 years, and more worryingly, its export component hit a more than 10-year low.
- The euro fell to more than two-year lows against the U.S. dollar on Friday as a weak growth outlook weighed on the single currency, though it rebounded after testing technical support levels. Dismal business activity data from the euro area, especially powerhouse economy Germany, has pushed European bond yields lower across the board this week, with further pressure coming from concern over economic weakness in Britain. "We have had a steady drip of weak data from the euro zone this week and that is highlighting the differences between the U.S. and Europe," said Commerzbank analyst Thu Lan Nguyen, adding that the United States is still showing signs of strength.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Nationwide HPI (YoY) (Sep)	GBP		0.6%	MEDIUM
German Unemployment Change (Sep)	EUR	5K	4K	HIGH
Business Investment (QoQ) (Q2)	GBP	-0.5%	0.4%	MEDIUM
GDP (YoY) (Q2)	GBP	1.2%	1.2%	HIGH
GDP (QoQ) (Q2)	GBP	-0.2%	-0.2%	HIGH
Unemployment Rate (Aug)	EUR	7.5%	7.5%	MEDIUM
German CPI (MoM) (Sep)	EUR	0.1%	-0.2%	MEDIUM
Chicago PMI (Sep)	USD	50.2	50.4	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	70.78	70.55	70.40	71.00	71.15	Sideways
EURINR FUTURE	77.62	77.30	77.10	77.90	78.10	BEARISH
GBPINR FUTURE	87.19	86.95	86.75	87.45	87.65	Sideways
JPYINR FUTURE	65.63	65.30	65.10	65.85	66.00	BEARISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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