

KEY HEADLINES:

- In the build up to Fed chair Powell's speech, the chatter was whether the Fed would meet the market's dovish expectations. Reaction in the wake of the announcement was one of uncertainty, with significant swings across major forex. However, coming into today's session there is a sense of risk positive and dollar negative forces playing out. The crux of Powell's speech is that the Fed will be on hold with ultra-loose monetary policy for some time to come.
- America's labor market probably extended its rebound in August to push the unemployment rate below 10% for the first time since the pandemic struck. With little more than two months before the U.S. election, reattaining that milestone in this week's jobs report could provide ammunition for President Donald Trump to claim the economy is sustaining a recovery under his leadership. His Democratic opponents, led by Joe Biden, are likely to question whether such improvement can durably continue as America struggles to control the coronavirus.
- GBPJPY is gaining ground, currently striving to close above 140.82 to clearly resume the climb. The steady incline is also sponsored by the progressing Ichimoku lines and the advancing 50- and 100-day simple moving averages (SMAs). Additionally, an approaching bullish crossover of the 200-day SMA by the 50-day one may fortify the positive outlook. The short-term oscillators further support an improving picture. The MACD, some distance in the positive area, is above its red signal line, while the RSI is pushing to climb above the 70 mark.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Consumer Confidence	JPY	28.7	29.5	MEDIUM
Housing Starts y/y	JPY	-12.0%	-12.8%	MEDIUM
German Prelim CPI m/m	EUR	0.0%	-0.5%	MEDIUM
Spanish Flash CPI y/y	EUR		-0.6%	MEDIUM
Italian Prelim CPI m/m	EUR	0.3%	-0.2%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.50	73.35	73.00	73.65	74.00	BEARISH
EURINR FUTURE	87.54	87.40	87.00	87.80	88.20	Sideways
GBPINR FUTURE	97.78	97.50	97.00	98.00	98.50	Sideways
JPYINR FUTURE	69.78	69.60	69.20	70.00	70.40	BEARISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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