

KEY HEADLINES:

- The euro hovered on Tuesday around the 26-month low it reached last week against the dollar as investors awaited to see whether the Federal Reserve would signal the start of an interest rate-cutting cycle. Although the Fed is expected to lower rates in the United States when its two-day policy meeting ends on Wednesday, U.S. yields will remain above those in the euro zone, making the dollar a more attractive investment for yield-seeking traders, analysts say.
- Euro zone economic sentiment continued to worsen as expected in July on less optimistic industry, services, retail trade and construction and inflation expectations among companies and consumers decreased as well, data showed on Tuesday. The European Commission's monthly sentiment survey showed the overall index for the 19 countries sharing the euro at 102.7 points in July, down from 103.3 in June and 105.2 in May, a trend underlining the expected economic slowdown. Economists polled by Reuters had expected deterioration to 102.6.
- Gold prices firmed on Tuesday ahead of a meeting of the U.S. Federal Reserve where it is expected to signal how big an interest rate cut the world's biggest economy could take. Spot gold was up 0.1% to \$1,427.85 per ounce as of 0954 GMT. U.S. gold futures were up 0.6% at \$1,428.30 per ounce. "The big question is what the tone of the Fed will be tomorrow. Interest rates are overwhelmingly likely to be cut. It's just a question of by how much," said Mitsubishi analyst Jonathan Butler. "Gold is still at 6-year highs. Although it has been close to \$1,450 recently, it seems to have found a level around \$1,425."

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Unemployment Change (Jul)	EUR	3K	-1K	HIGH
CPI (YoY) (Jul)	EUR	1.1%	1.3%	HIGH
ADP Nonfarm Employment Change (Jul)	USD	153K	102K	HIGH
Crude Oil Inventories	USD	-4.011M	-10.835M	HIGH
Fed Interest Rate Decision	USD	2.25%	2.50%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.05	68.90	68.75	69.20	69.35	Sideways
EURINR FUTURE	77.15	76.95	76.75	77.35	77.55	Sideways
GBPINR FUTURE	84.13	83.95	83.75	84.35	84.55	BEARISH
JPYINR FUTURE	63.74	63.60	63.45	63.90	64.05	Sideways

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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