

## KEY HEADLINES:

- The Federal Reserve cut interest rates by 25 basis points Wednesday, in what was a widely expected decision, amid persistent concerns over the sluggish pace of inflation and the slowdown in the global economy. The Federal Open Market Committee cut its fed funds rate to a range of 1.5% to 1.75% from a previous range of 1.75% to 2.00%. In the accompanying monetary policy statement, the Fed said economic activity had been rising at a "moderate" rate, though it pointed to "muted inflation pressures" as one the reasons for cutting rates. The core price consumption expenditures (PCE) index, the Fed's preferred measure of inflation, has remained shy of the central bank's 2% target.
- The dollar dipped against a basket of major currencies on Thursday, reversing earlier gains, after the Federal Reserve cut interest rates for the third time this year but signalled its rate-cut cycle might be at a pause, as was broadly expected. In lowering its policy rate by 25 basis points to a target range of between 1.50% and 1.75%, the U.S. central bank dropped a previous reference in its policy statement that it "will act as appropriate" to sustain the economic expansion - language that was considered a sign for future cuts. lack of an explicit signal from the Fed that it is done with easing for now was perceived to be less hawkish than expected, helping to drive the dollar down.
- Factory activity in China shrank for the sixth straight month in October and by more than expected, pointing to further pressure on its manufacturers as they grapple with the weakest economic growth in nearly 30 years. The world's second-largest economy is facing heightened risks from slowing global demand and the Sino-U.S. trade war, adding pressure on policymakers to roll out more stimulus to avoid a sharper slowdown and bigger job losses.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Retail Sales (MoM) (Sep)	EUR	0.3%	0.5%	MEDIUM
French CPI (MoM)	EUR	0.1%	-0.3%	MEDIUM
CPI (YoY) (Oct)	EUR	0.7%	0.8%	HIGH
GDP (YoY)	EUR	1.1%	1.2%	MEDIUM
Unemployment Rate (Sep)	EUR	7.4%	7.4%	MEDIUM
Initial Jobless Claims	USD	215K	212K	MEDIUM
Chicago PMI (Oct)	USD	48.4	47.1	MEDIUM

### **Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.08	71.00	70.91	71.18	71.29	Sideways
EURINR FUTURE	79.16	79.00	78.85	79.31	79.45	BULLISH
GBPINR FUTURE	91.63	91.36	91.09	91.85	92.06	BULLISH
JPYINR FUTURE	65.40	65.32	65.25	65.50	65.59	Sideways

#### **RESEARCH BONANZA FOREIGN CURRENCY SEGMENT**

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