

KEY HEADLINES:

- The U.S. dollar index was flat on Friday morning, with the offshore Chinese yuan headed toward its biggest monthly decline in 25 years as the two countries prepared for the implementation of new retaliatory tariffs on Sunday. The index was 0.02% lower at 98.483, closing the month virtually unchanged after having been whipped around by trade headlines. Against the dollar, the offshore yuan was 0.2% weaker at 7.157, set for a 3.6% fall in August, it's biggest monthly drop since 1994.
- U.S. consumer spending increased solidly in July as households bought a range of goods and services, which could further allay financial market fears of a recession, but the strong pace of consumption is unlikely to be sustained amid tepid income gains. The report from the Commerce Department on Friday added to July trade and inventory data in suggesting that while the economy was slowing, it was not losing altitude rapidly for now. But risks to the longest economic expansion in history are mounting, mostly from a year-long trade war between the United States and China.
- The euro fell below \$1.10 on Friday to its weakest since May 2017 as a multi-day downward shift in the single currency intensified in afternoon trade. Traders had varied explanations for the drop, including that month-end rebalancing of portfolios heightened an existing bias. The longer-term trend, which has seen the euro fall 0.90% in August, has been driven by an economic slowdown in Europe among other factors.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Manufacturing PMI (Aug)	EUR	51.0	49.7	MEDIUM
German Manufacturing PMI (Aug)	EUR	43.6	43.6	HIGH
Manufacturing PMI (Aug)	EUR	47.0	46.5	MEDIUM
Manufacturing PMI (Aug)	GBP	48.4	48.0	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.62	71.42	71.30	71.76	71.92	Sideways
EURINR FUTURE	79.22	79.00	78.82	79.48	79.73	BEARISH
GBPINR FUTURE	87.29	87.08	86.78	87.53	87.71	BEARISH
JPYINR FUTURE	67.43	67.29	67.08	67.62	67.84	BEARISH

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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