

## KEY HEADLINES:

- The dollar pulled back on Wednesday as weak U.S. manufacturing stoked wagers on aggressive policy easing, while the British pound recouped losses in the wake of a parliamentary vote that opened the door for another Brexit delay. Manufacturing activity in the world's biggest economy contracted for the first time in three years last month, according to the Institute for Supply Management. knocked the wind from the greenback and rallied the bond market as investors increased bets on a couple of Federal Reserve rate cuts before Christmas. A 25-basis-point cut is now fully priced in, while yields on benchmark 10-year Treasuries , which fall when prices rise, dropped to their lowest in two years.
- Activity in China's services sector expanded at the fastest pace in three months in August as new orders rose, prompting the biggest increase in hiring in over a year, a private survey showed on Wednesday. Stronger job creation by services firms will be welcome news for Beijing, which is struggling to reverse a prolonged slump in the manufacturing sector which has dragged economic growth to near 30-year lows. The Caixin/Markit services purchasing managers' index (PMI) picked up to 52.1 last month, the highest since May, compared with July's 51.6. The index has stayed above the 50-point that separates growth from contraction on a monthly basis since late 2005.
- Sterling posted a brief rise against the dollar late on Tuesday after UK lawmakers approved a motion to seize control of parliamentary time to try to block Britain leaving the European Union with no deal. 5:25 p.m. (1925 GMT), the pound GBP=D3 was little changed from its Tuesday close at \$1.2083, while the euro was flat at \$1.0975.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
French Services PMI (Aug)	EUR	53.3	53.3	MEDIUM
German Services PMI (Aug)	EUR	54.4	54.4	MEDIUM
Services PMI (Aug)	EUR	53.4	53.4	MEDIUM
Composite PMI (Aug)	GBP		50.7	HIGH
Services PMI (Aug)	GBP	51.0	51.4	HIGH
Retail Sales (MoM) (Jul)	EUR	-0.6%	1.1%	MEDIUM

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	72.57	72.40	72.25	72.80	72.95	BULLISH
EURINR FUTURE	79.53	79.25	79.05	79.80	80.00	Sideways
GBPINR FUTURE	87.45	87.20	87.00	87.70	87.90	Sideways
JPYINR FUTURE	68.46	68.25	68.10	68.65	68.80	BULLISH

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

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