

## KEY HEADLINES:

- The dollar fell for a 5<sup>th</sup> straight session yesterday, undermined by a recent slew of weaker-than-expected U.S. economic data and this week's robust performance by the euro and the British pound.
- Most currencies traded in tight ranges after turmoil induced by conflicting headlines on the fate of a preliminary U.S.-China trade deal and the lack of clarity on whether any kind of agreement can be reached before Dec. 15, when additional U.S. tariffs kick in on Chinese goods.
- On US major data update, the trade deficit dropped to its lowest level in nearly 1-1/2 years in October to \$47.2 billion, the smallest since May 2018. Initial claims for state unemployment benefits, on the other hand, dropped 10,000 to a seasonally adjusted 203,000 for the week ended Nov. 30, the lowest level since mid-April. Both were mostly better than expected, but they are second-tier data that has little bearing on the Fed's monetary policy action.
- Sterling is this week's best performer, up more than 1.5% this week to the dollar, as it appears likely that the ruling Conservative Party will win a majority in next week's election and end 3-1/2 years of Brexit-related uncertainty by taking Britain out of the European Union.
- The British pound traded at a new 7-month high of \$1.3146 and extended gains against the euro to a new 2-1/2-year high of 84.31 pence. The pound was last up 0.3% versus the dollar at \$1.3138.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
OPEC – JMMC Meeting				HIGH
Employment Change	CAD	10.0K	-1.8K	HIGH
Unemployment Rate	CAD	5.5%	5.5%	HIGH
Average Hourly earnings mom	USD	0.3%	0.2%	HIGH
Non-Farm Employment Change	USD	186K	128K	HIGH
Unemployment Rate	USD	3.6%	3.6%	HIGH

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	71.41	71.40	71	71.80	72.05	BEARISH
EURINR FUTURE	79.30	79.25	79.07	79.80	80.15	BULLISH
GBPINR FUTURE	93.82	93.25	92.75	94.20	94.55	BULLISH
JPYINR FUTURE	65.67	65.65	65.35	66.05	66.45	Sideways

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

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