

KEY HEADLINES:

- Most Asian currencies strengthened on Tuesday as the dollar struggled in the face of falling Treasury yields and growing expectations of a near-term interest rate cut by the Federal Reserve. The dollar slipped to a five-month low against the yen earlier, setting the tone for much of the regional currencies.
- The dollar struggled to shake off a harsh overnight session, slipping to a five-month low against the yen on Tuesday, hurt by a sharp slide in U.S. Treasury yields thanks to rising bets for a near-term rate cut by the Federal Reserve. The benchmark 10-year Treasury yield US10YT=RR fell to its lowest level since September 2017 overnight, coming within reach of the 2% threshold after St. Louis Federal Reserve President James Bullard said a rate cut "may be warranted soon" given the rising risk to economic growth posed by global trade tensions as well as weak U.S. inflation.
- South Korea's economy shrunk by a seasonally adjusted 0.4% in the January-March period from the previous quarter, revised central bank data showed on Tuesday, a notch below a 0.3% decline estimated earlier.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Interest Rate Decision	INR	5.75%	6.00%	HIGH
Deposit Facility Rate	EUR	-0.40%	-0.40%	HIGH
ECB Marginal Lending Facility	EUR	0.25%	0.25%	HIGH
ECB Interest Rate Decision(Jun)	EUR	0.00%	0.00%	HIGH
German Factory Orders(MoM)(Apr)	EUR	0.1%	0.6%	Medium
Initial Jobless Claims	USD	215K	215K	Medium
Unit Labor Costs(QoQ)(Q1)	USD	-0.8%	-0.9%	Medium

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	69.41	69.35	69.14	69.62	69.84	Sideways
EURINR FUTURE	78.30	78.17	77.97	78.49	78.73	Bullish
GBPINR FUTURE	88.21	88.07	87.81	88.44	88.73	Sideways
JPYINR FUTURE	64.35	64.23	63.97	64.54	64.85	Bullish

RESEARCH BONANZA FOREIGN CURRENCY SEGMENT

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