

KEY HEADLINES:

- The Japanese yen slipped and risky currencies flourished on Thursday as investors turned more optimistic that the United States will find common ground with China on trade after agreeing to hold talks in October. Chinese representatives will travel to Washington next month, China's commerce ministry said on Thursday. news has injected a fair amount of optimism in markets," said Prashant Newnaha, senior rates strategist at TD Securities in Singapore. "It does seem that the markets were positioning more bearishly, and now we've gotten this potential good news and the markets are running with it," he said, adding global economic indicators had also recently been showing some green shoots.
- German industrial orders fell more than expected in July on weak demand from abroad, data showed on Thursday, suggesting that struggling manufacturers could tip Europe's biggest economy into a recession in the third quarter. Germany's export-reliant economy is suffering from slower global growth and business uncertainty caused by international trade disputes and Britain's planned but delayed exit from the European Union. Contracts for 'Made in Germany' goods were down 2.7% from the previous month in July, driven by a big drop in bookings from non-euro zone countries, the economy ministry said. That undershot a Reuters consensus forecast for a 1.5% drop.
- The Swedish crown rose strongly on Thursday after the country's central bank said it still expected to tighten monetary policy around the turn of the year, surprising markets and sparking big gains in the long-suffering currency. After holding its benchmark interest rate unchanged at -0.25% as expected, the Riksbank pointed to high resource utilisation and inflation close to target as indications that the economy would remain strong in the short term, supporting plans to hike later this year or early 2020. Governor Stefan Ingves said "it would not be strange" if interest rates in Sweden were "a little higher than in Europe." This contrasts with expectations of the European Central Bank, which is forecast to cut interest rates on Sept. 12 and announce a new wave of quantitative easing.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Industrial Production (MoM) (Jul)	EUR	0.3%	-1.5%	MEDIUM
GDP (QoQ) (Q2)	EUR	0.2%	0.2%	MEIDUM
Nonfarm Payrolls (Aug)	USD	158K	164K	HIGH
Unemployment Rate (Aug)	USD	3.7%	3.7%	HIGH
U.S. Baker Hughes Oil Rig Count	USD		742	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	72.00	71.80	71.65	72.20	72.35	BEARISH
EURINR FUTURE	79.73	79.50	79.30	80.00	80.20	BEARISH
GBPINR FUTURE	88.87	88.60	88.40	89.10	89.30	Sideways
JPYINR FUTURE	67.58	67.40	67.25	67.80	67.95	BEARISH

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