

DATE: 07-10-2019

KEY HEADLINE

- The U.S. trade deficit increased in August as imports of consumer goods surged to a record high, but the gap with China, a focus of the Trump administration's "America First" agenda, narrowed. The Commerce Department said on Friday the trade deficit rose 1.6% to \$54.9 billion. The July trade gap was unrevised at \$54.0 billion. The politically-sensitive goods trade deficit with China fell 3.1% to \$31.8 billion on an unadjusted basis, with imports declining 0.8%. Exports to China increased 8.0% in August, boosted by soybean shipments. The goods trade deficit with the European Union jumped 23.7% to \$15.3 billion.
- The dollar slipped on Friday after earlier posting gains following a U.S. jobs report that underperformed expectations but was solid overall, as investors remained cautious about political risk in the United States and ongoing trade negotiations with China. But by afternoon trading, the dollar's rally faded. Data showed that U.S. nonfarm payrolls increased by 136,000 jobs last month. August data was revised to show 168,000 jobs created instead of the previously reported 130,000 positions. Economists polled by Reuters had forecast payrolls would increase by 145,000 jobs in September. unemployment rate dropped to a near 50-year low of 3.5%.
- The U.S. unemployment rate dropped to near a 50-year low of 3.5% in September, with job growth increasing moderately, suggesting the slowing economy could avoid a recession for now despite trade tensions that are hammering manufacturing. The Labor Department's closely watched monthly employment report on Friday, however, contained reminders that the risks to the longest economic expansion on record remained tilted to the downside. Wage growth stagnated and manufacturing payrolls declined for the first time in six months. The retail and utilities sectors also continued to shed jobs.
- India's central bank cut its key interest rate for a fifth straight time this year, moving aggressively to revive economic growth as the banking system faces new stresses. The Reserve Bank of India lowered its benchmark repurchase rate by 25 basis points to 5.15% on Friday. A majority of the 39 economists in a Bloomberg survey predicted the move, while the rest forecast cuts ranging from 15 basis points to 40 basis points. "There is policy space to address these growth concerns by reinvigorating domestic demand," the central bank said in a statement. The Monetary Policy Committee "decided to continue with an accommodative stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target."

Currency pair

Currencies	04/10/2019	27/09/2019	Change (%)
USDINR	71.07	70.78	0.40
EURINR	78.23	77.62	0.78
GBPINR	87.69	87.19	0.57
JPYINR	66.68	65.63	1.59

USDINR



Technical Outlook–

- On the Weekly Chart, a Shooting Star pattern is formed
- Indicator RSI (14) will move near 50 on Weekly Chart.
- 50EMA and 100EMA will be in bearish crossover.
- The near term trend shows bearish signs, going forwards it might move towards 70.00 and below.

Support-Resistance

LTP	S1	S2	R1	R2
71.07	70.25	69.50	71.75	72.50

EURINR



Technical Outlook–

- On the Weekly Chart, long green candle is formed
- 50EMA and 100 EMA is in Bearish Crossover
- The momentum oscillator RSI (14) will remain below 50 on weekly chart.
- The near term trend shows bearish signals; going forwards it would move towards 77.50 and below

Support-Resistance

LTP	S1	S2	R1	R2
78.23	77.50	76.75	79.00	79.75

GBPINR



Technical Outlook–

- On the Weekly chart, a falling wedge pattern is in formation. A large candle is formed leading to consolidation in the falling wedge pattern.
- 50EMA and 100EMA are showing bearish crossover on the weekly charts.
- The momentum oscillator RSI (14) may be in bearish crossover.
- The short term trend looks towards breakdown ; 86.00 would play as a major support during the week

Support-Resistance

LTP	S1	S2	R1	R2
87.69	86.50	85.50	88.50	89.50

JPYINR



Technical Outlook–

- On the Weekly chart, Bullish Engulfing pattern is formed
- 50EMA and 100EMA will be in bearish crossover.
- The momentum oscillator RSI (14) will move with a support near 50.
- The near term trend shows bullish signs; going forwards it would remain in the range of 66.00-67.50

Support-Resistance

LTP	S1	S2	R1	R2
66.68	66.00	65.25	67.50	68.25

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
08/10/2019	USD	PPI (MoM) (Sep)	0.1%	0.1%
09/10/2019	USD	JOLTs Job Openings (Aug)		7.217M
09/10/2019	USD	Crude Oil Inventories		3.100M
10/10/2019	GBP	GDP (QoQ)		0.0%
10/10/2019	GBP	GDP (YoY)		1.3%
10/10/2019	GBP	GDP (MoM)		0.3%
10/10/2019	GBP	Manufacturing Production (MoM) (Aug)	-0.2%	0.3%
10/10/2019	USD	Core CPI (MoM) (Sep)	0.2%	0.3%

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FOREIGN CURRENCY SEGMENT

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