

DATE: 03-09-2019

KEY HEADLINE

- The U.S. dollar index was flat on Friday morning, with the offshore Chinese yuan headed toward its biggest monthly decline in 25 years as the two countries prepared for the implementation of new retaliatory tariffs on Sunday. The index was 0.02% lower at 98.483, closing the month virtually unchanged after having been whipped around by trade headlines. Against the dollar, the offshore yuan was 0.2% weaker at 7.157, set for a 3.6% fall in August, it's biggest monthly drop since 1994.
- U.S. consumer spending increased solidly in July as households bought a range of goods and services, which could further allay financial market fears of a recession, but the strong pace of consumption is unlikely to be sustained amid tepid income gains. The report from the Commerce Department on Friday added to July trade and inventory data in suggesting that while the economy was slowing, it was not losing altitude rapidly for now. But risks to the longest economic expansion in history are mounting, mostly from a year-long trade war between the United States and China.
- The euro fell below \$1.10 on Friday to its weakest since May 2017 as a multi-day downward shift in the single currency intensified in afternoon trade. Traders had varied explanations for the drop, including that month-end rebalancing of portfolios heightened an existing bias. The longer-term trend, which has seen the euro fall 0.90% in August, has been driven by an economic slowdown in Europe among other factors.
- Factory activity in China shrank in August for the fourth month in a row as the United States ramped up trade pressure and domestic demand remained sluggish, pointing to a further slowdown in the world's second-largest economy. Persistent weakness in China's vast manufacturing sector could fuel expectations that Beijing needs to roll out stimulus more quickly, and more aggressively, to weather the biggest downturn in decades.

Currency pair

Currencies	30/08/2019	23/08/2019	Change (%)
USDINR	71.62	71.72	-0.13
EURINR	79.22	79.33	-0.13
GBPINR	87.29	87.59	-0.34
JPYINR	67.43	67.25	0.26

USDINR



Technical Outlook–

- On the Weekly Chart, a Doji Pattern is formed.
- Indicator RSI (14) has crossed over 50 on Weekly Chart.
- 50EMA and 100EMA may be in bullish crossover.
- The near term trend shows reversal signs, going forwards it might remain in the range of 70.20 to 72.50

Support-Resistance

LTP	S1	S2	R1	R2
71.62	71.00	70.20	72.50	73.00

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EURINR



Technical Outlook–

- On the Weekly Chart, Shooting Star pattern is formed
- 50EMA and 100 EMA may be in Bullish Crossover
- The momentum oscillator RSI (14) has entered in a bullish crossover.
- The near term trend shows reversal signs; going forwards it would likely to move in range of 78.00-80.00

Support-Resistance

LTP	S1	S2	R1	R2
79.22	78.25	77.25	80.25	81.25

GBPINR



Technical Outlook–

- On the Weekly chart, a falling wedge pattern is in formation. Breakout is possible in the near term
- 50EMA and 100EMA are showing bullish crossover on the weekly charts.
- The momentum oscillator RSI (14) may be in bullish crossover.
- The short term trend looks towards downward consolidation ; going forwards it would remain in the range of 86.00-88.00

Support-Resistance

LTP	S1	S2	R1	R2
87.29	86.25	85.00	88.25	89.50

JPYINR



Technical Outlook–

- On the Weekly chart, a shooting star pattern is formed
- 50EMA and 100EMA may be in a bullish crossover.
- The momentum oscillator RSI (14) has entered in bullish crossover.
- The near term trend shows reversal signs; going forwards it would remain in the range of 66.75-68.25

Support-Resistance

LTP	S1	S2	R1	R2
67.43	66.75	66.00	68.25	69.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
02/09/2019	EUR	German Manufacturing PMI (Aug)	43.6	43.6
02/09/2019	GBP	Manufacturing PMI (Aug)	48.4	48.0
03/09/2019	GBP	Construction PMI (Aug)	45.5	45.3
03/09/2019	USD	ISM Manufacturing PMI (Aug)	51.0	51.2
04/09/2019	GBP	Composite PMI (Aug)		50.7
04/09/2019	GBP	Services PMI (Aug)	51.0	51.4
05/09/2019	USD	ADP Nonfarm Employment Change (Aug)	148K	156K
05/09/2019	USD	ISM Non-Manufacturing PMI (Aug)	53.9	53.7
05/09/2019	USD	Crude Oil Inventories	-2.112M	-10.027M
06/09/2019	USD	Nonfarm Payrolls (Aug)	159K	164K
06/09/2019	USD	Unemployment Rate (Aug)	3.7%	3.7%

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FOREIGN CURRENCY SEGMENT

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