

**News Highlights:**

**Indian rupee drops 21 paise to 3-week low on fading US-China deal optimism:**

- The rupee declined by 21 paise to close at a three-week low of 71.23 against the US currency on Monday as investors rushed to safe heaven bets on fading hopes of an initial trade deal between the US and China. Weak Chinese trade data also weighed on the domestic currency.
- "Rupee after opening on a stronger note came under pressure against the US dollar following reports that China wants more talks before signing Trump's 'Phase One Deal'. On the domestic front, market participants were waiting for inflation number, which as expected has come in a little higher in September compared to the previous month."
- Spot USDINR has been trading in the range of 70.70 to 71.35 since starting of the October month. Looking at the weak economic data and foreign fund outflows, the rupee could depreciate further from here in the short term.

**Weekly Pivot Table**

Currency	R3	R2	R1	Pivot	S1	S2	S3
USD-INR	71.8125	71.585	71.365	71.1375	70.9175	70.69	70.47
EUR-INR	79.5575	79.1625	78.93	78.535	78.3025	77.9075	77.675
GBP-INR	94.3933	92.3367	91.0058	88.9492	87.6183	85.5617	84.2308
JPY –INR	67.5733	67.1867	66.4633	66.0767	65.3533	64.9667	64.2433

**Pair of the week- USD-INR**



**Trading Strategy**

**Buy USD/INR OCT above 71.35 SL 70.60 TGT 72.30/73.30.**

**Technical View-** On Monday, USD-INR opened with Gap-down and Close at Day high after taken reversal from lower levels of 70.80. 71.35 work as immediate resistance for USDINR OCT future, if it closes above it then upside rally continues for the TGT of 72.10 – 73.20 in the upcoming sessions. On the contradictory, if it manages to sustain below 70.70 then again selling pressure could emerge for the downside TGT of 69.90-69. USD-INR has its major support at 70.70.

**On Technical aspects USD-INR looks good on the weekly chart and every dip till 71.00 is a good buying opportunity.**

**Major Economic Data & Events Schedule For the Week**

Date	Time	Country	Economic Indicators	Forecast	Previous
15-Oct	10:00 AM	JPY	Industrial Production (MoM) (Aug)	-1.20%	-1.20%
	2:00 PM	GBP	Unemployment Rate (Aug)	3.80%	3.80%
	6:00 PM	USD	NY Empire State Manufacturing Index (Oct)	100.00%	200.00%
16-Oct	2:00 PM	GBP	CPI (MoM) (Sep)	0.20%	0.40%
	2:00 PM	GBP	CPI (YoY) (Sep)	1.80%	1.70%
	2:00 PM	GBP	PPI Input (MoM) (Sep)	0.20%	-0.10%
	2:30 PM	EUR	Core CPI (YoY) (Sep)	1.00%	1.00%
	2:30 PM	EUR	CPI (MoM) (Sep)	0.20%	0.10%
	2:30 PM	EUR	CPI (YoY) (Sep)	0.90%	1.00%
	2:30 PM	EUR	Trade Balance (Aug)	17.4B	24.8B
	6:00 PM	USD	Core Retail Sales (MoM) (Sep)	0.20%	0.00%
	6:00 PM	USD	Retail Sales (MoM) (Sep)	0.30%	0.40%
	17-Oct	2:00 PM	GBP	BOE Credit Conditions Survey	0.00%
2:00 PM		GBP	Core Retail Sales (MoM) (Sep)	-0.10%	-0.30%
2:00 PM		GBP	Core Retail Sales (YoY) (Sep)	2.80%	2.20%
2:00 PM		GBP	Retail Sales (YoY) (Sep)	3.20%	2.70%
2:00 PM		GBP	Retail Sales (MoM) (Sep)	0.10%	-0.20%
2:30 PM		CNY	New Loans	1,350.0B	1,210.0B
6:00 PM		USD	Building Permits (Sep)	1.360M	1.425M
6:00 PM		USD	Building Permits (MoM) (Sep)	-26.00%	7.70%
6:00 PM		USD	Housing Starts (MoM) (Sep)	-8.60%	12.30%
6:00 PM		USD	Housing Starts (Sep)	1.320M	1.364M
6:00 PM		USD	Initial Jobless Claims	215K	210K
6:00 PM		USD	Philadelphia Fed Manufacturing Index (Oct)	800.00%	1200.00%
6:00 PM		USD	Philly Fed Employment (Oct)	0.00%	1580.00%
6:45 PM		USD	Industrial Production (MoM) (Sep)	-0.10%	0.60%
6:45 PM		USD	Industrial Production (YoY) (Sep)	0.00%	0.36%
18-Oct	5:00 AM	JPY	National Core CPI (YoY) (Sep)	0.30%	0.50%
	5:00 AM	JPY	National CPI (MoM)	0.00%	0.00%
	5:20 AM	JPY	Trade Balance (Sep)	-355.9B	-143.5B
	7:30 AM	CNY	Fixed Asset Investment (YoY) (Sep)	5.40%	5.50%
	7:30 AM	CNY	GDP (YoY) (Q3)	6.10%	6.20%
	7:30 AM	CNY	GDP (QoQ) (Q3)	1.50%	1.60%
	7:30 AM	CNY	Chinese GDP YTD (YoY) (Q3)	0.00%	6.30%
	7:30 AM	CNY	Industrial Production (YoY) (Sep)	5.00%	4.40%
	7:30 AM	CNY	Chinese Industrial Production YTD (YoY) (Sep)	0.00%	5.60%
	7:30 AM	CNY	Chinese Unemployment Rate	0.00%	5.20%
	7:30 AM	CNY	NBS Press Conference	0.00%	0.00%
	Tentative	USD	OPEC Meeting	0.00%	0.00%
	Tentative	INR	RBI MPC Meeting Minutes	0.00%	0.00%

**Note:** Economic data expectations are based on median forecast by economists or Reuters and Bloomberg survey: Here positive impact indicates currency could appreciate and negative indicates currency could depreciate in comparison with US Dollar.

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