

Data released since yesterday

Date	Time	Country	Event	Period	Expectation	Actual	Prior	Revised
Oct-24	13:30	EZ	PMI Manufacturing	Oct A	51.4	51.3	51.1	--
Oct-24	13:30	EZ	PMI Services	Oct A	52.2	50.9	52.2	--
Oct-24	18:00	US	Trade Balance (USD bn)	Aug	-39.4	-38.8	-39.1	-38.6
Oct-24	18:00	US	Initial Jobless Claims ('000)	Oct-18	340.0	350.0	358.0	362.0
Oct-24	18:28	US	Markit PMI	Oct P	52.5	51.1	52.8	--
Oct-24	20:30	US	Kansas City Fed Mfg Activity Index	Oct	2.0	6.0	2.0	--
Oct-25	5:00	JN	CPI (%YoY)	Sep	0.9	1.1	0.9	--

Developments since yesterday

- US stocks ended higher yesterday, buoyed by better than expected Q3 2013 earnings results detailed by companies such as Amazon.com, Microsoft Corp. and PulteGroup Inc. Also, the higher than expected rise in initial jobless claims and weak manufacturing PMI data added to speculation of a delay in the Fed's QE tapering. Dow Jones closed higher by 0.62% and S&P 500 ended up by 0.33%.
- Asian stocks are trading largely in the red this morning, weighed by disappointing Q3 2013 corporate earnings results posted earlier today. Nikkei is down by 1.10% after Canon Inc. trimmed its earnings forecast. Kospi is down by 1% on the back of weak earnings results detailed by Posco and LG Electronics. Hang Seng and Shanghai Composite are also trading lower by 0.19% and 0.31% respectively. Australia's ASX, meanwhile, is higher by 0.37%, led by mining stocks.
- US Treasuries are trading slightly stronger this morning amidst expectations that the Fed might delay the tapering of its bond-buying programme further, following weak labour market and manufacturing data released yesterday. In yesterday's trade, the 10-year benchmark yield had fallen to a fresh 3-month low of 2.47% intraday. However, it closed the session at 2.52% owing to some profit-booking. Currently, the 10-year yield is trading at 2.51%. Going ahead, markets will look forward to US durable goods orders and the University of Michigan confidence index data prints, due later today, for further cues.

View Today

	Trend		Support (1)	Support (2)	Resistance (1)	Resistance (2)	Market level*
	Intraday	Fortnight					
DXV	Rangebound	Rangebound	78.80	79.60	79.50	79.95	79.22
EUR/USD	Bullish	Rangebound	1.3750	1.3700	1.3825	1.3850	1.3791
GBP/USD	Bullish	Rangebound	1.6140	1.6100	1.6240	1.6285	1.6193
USD/JPY	Rangebound	Bullish	97.00	96.60	97.70	98.20	97.33
USD/CHF	Bearish	Bearish	0.8870	0.8850	0.8950	0.9000	0.8923
USDINR(Spot)	Bullish	--	61.35	61.10	61.72	61.90	61.49
AUD/USD	Bearish	Rangebound	0.9550	0.9520	0.9650	0.9680	0.9594
USD/CAD	Bullish	Rangebound	1.0380	1.0350	1.0470	1.0500	1.0421
	Trend		Trading Range				Market level*
	Intraday	Fortnight					
GSec (7.16% 2023)	Ranged	--	8.56%-8.64%				8.59%
Sensex	Ranged	--	20,600-20,850				20,673
Gold	Ranged	--	\$1,330-\$1,365				\$1,343.00
Brent Oil	Ranged	--	\$106.0-\$107.85				\$107.10

*These levels are taken at 9:30 AM IST

DXY	Dollar index is trading ranged at 79.20 levels today. The subdued movement in Dollar partly reflects expectation that Fed will maintain its asset purchase program intact in next week's policy meeting. Meanwhile, President Obama's chief economic advisor noted that the partial US government shutdown trimmed 0.25 percentage points from Q4 GDP growth and cost around 120,000 jobs in October. Macro data such as increased jobless claims and lower PMI suggests that growth prospects remain subdued in the near term. In terms of key data releases, market will focus on the University of Michigan consumer sentiment index, scheduled to release later in the day. Technical outlook is ranged, with support and resistance at 78.80 and 79.50 respectively.
EUR/USD	The Euro is currently trading close to 1.38 against USD, slightly lower than yesterday's high of 1.3825. Nevertheless, this is the highest level in almost two years. Meanwhile, October's flash PMIs released for EZ, Germany and France were lower than that in September 2013. While French manufacturing sector contracted at slightly faster pace, its services sector expanded only marginally. On the other hand, while German manufacturing sector expanded faster in October, its services sector grew at much slower pace. Consequently, EZ manufacturing sector gained, while services sector fell from 52.2 last month to 50.9 in October. European Central Bank (ECB) will release monetary developments data today for September 2013. It would be interesting to see if private credit continues to decline at record pace. The intraday trend for the Euro is bullish, with support and resistance at 1.3750 and 1.3825 respectively.
GBP/USD	Sterling had also strengthened yesterday and closed at 1.6202 against USD. It is currently trading at marginally lower than 1.62 levels. In his speech yesterday, Mark Carney, Governor of Bank of England, said that the bank will expand the range of collateral it accepts in its facilities and offer money for longer period on cheaper terms. UK Q3'2013 GDP data will be released today, which is expected to show the highest growth in more than three years. The Bloomberg survey estimates a growth of 0.8% QoQ, as against 0.7% QoQ in Q2 2013. The intra day trend for the GBP/USD cross is bullish with support and resistance at 1.6140 and 1.6240 respectively.
USD/JPY	Japanese Yen (JPY) is trading at slightly stronger level of 97.20 as a gainst rangebound movement overnight. Japan's inflation data was released today, which witnessed some progress. Core inflation (excluding energy and fresh food) was unchanged from a year ago, after declining every month since December 2008. Thus, the recent reading seems to have ended the four years of deflation (in YoY terms). Technically, the intra day trend for USD/JPY cross is ranged with support at 97.00 and resistance at 97.70.
USD/CHF	USD/CHF continues trade flat for the second consecutive day, with the USD/CHF pair hovering around 0.8920. The Franc has weakened against the Euro since yesterday as the safe-haven appeal of the Franc diminished amidst improvement in risk sentiment and gains in European equity markets yesterday. The EUR/CHF pair is currently trading higher around 1.2310 compared to yesterday's low of 1.2285. Technically, USD/CHF is expected to trade bearish with support at 0.8870 and resistance at 0.8950.
AUD/USD	The Australian Dollar is trading weaker today morning, hovering around 0.9603, compared to previous close of 0.9620. Reserve Bank of Australia official Lowe said yesterday that inflation as yet looked benign and that even a further fall in the Aussie currency would not change RBA's inflation outlook for the medium-term. Thus, the comments by RBA's Lowe led to some speculation that the Central Bank was open to possible interest rate-cut(s) in the future. Technically, we expect AUD/USD to trade bearish with support at 0.9550 and resistance at 0.9650.
USD/CAD	The Canadian Dollar is trading largely flat today morning, holding on to most of last two days' losses. The Canadian Dollar yesterday weakened by 0.4% vis-à-vis the US Dollar and the USD/CAD pair rose from 1.0382 to 1.0421 as markets adjust to a dovish rhetoric from the Bank of Canada. The Bank of Canada on Wednesday had dropped any reference to possible rate-hike from its monetary policy statement. USD/CAD is currently trading flat at around 1.0421. Technically, we expect USD/CAD to trade bullish with support at 1.0380 and resistance at 1.0470.

Sensex	Indian stock markets opened lower this morning, tracking subdued cues from Asian peers. Intraday, corporate earnings results, scheduled to be released by several index-majors, is likely to set the tone for domestic equities. In today's session, ICICI Bank, ITC, Gail India and Colgate Palmolive will post their Q2 FY2014 results. Technically, the Sensex is expected to trade in the range of 20,600-20,850.
USD/INR	Indian Rupee opened broadly flat at 61.51 today against previous close of 61.50. The overall subdued global markets weigh on the local currency. Meanwhile, the volatility in the INR fell to the lowest in three months. One month implied volatility declined 23 bps yesterday to close at 11.59%. FII investment in Indian equities continued to remain robust. On a month to date basis, FII equity inflows were USD 1.9bn. Technically, the intraday trend for USDINR is bullish, with support and resistance of 61.35 and 61.72 respectively.
Gsec	Indian Government bonds opened largely unchanged as investor sentiment remained cautious ahead of the RBI's policy meeting due next week. Market expects a 25 bps hike in repo rate in the monetary policy meeting. The yield on the benchmark 7.16% bond due 2023 opened at 8.59% levels as against previous close of 8.58%. Intraday, the 10-year benchmark yield is expected to trade in the range of 8.56-8.64%.
Oil	Oil prices are trading marginally higher this morning on the back of broad Dollar weakness. Signs of firm recovery in China, as reflected in the better-than-expected October HSBC (flash) manufacturing PMI print released yesterday, are keeping the demand outlook supported. Currently, WTI is trading at USD 97.4/bbl vs. prior close of USD 97.1/bbl. Brent is currently trading at USD 107.3/bbl from prior close of USD 107.0/bbl. Technically, Brent is expected to trade ranged between USD 106.00-107.85/bbl.
Gold	Gold prices are trading slightly lower today morning, albeit holding on to most of yesterday's gains. In yesterday's trade, bullion prices had gained by 1.00% as signs of weak economic recovery in the US aided speculation over a further deferral of Fed's QE tapering. Meanwhile, holdings in the SPDR Gold Trust- the largest gold-backed ETF, slipped by 1.8 MT to 876.5 MT yesterday, thereby limiting the upside. Today morning, spot gold is at USD 1344.6/oz vs. yesterday's close of USD 1346.8 /oz. Technically gold is expected to trade ranged between USD 1330-1365/oz.

Data Today

Time	Country	Event	Period	Expectation	Prior
13:30	GE	IFO Business Climate	Oct	108.0	107.7
14:00	UK	GDP (%QoQ)	3Q A	0.8	0.7
18:00	US	Durable Goods Orders (%)	Sep	1.7	0.1
19:25	US	Univ. of Michigan Confidence Index	Oct F	75.0	75.2

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