

Data released since yesterday

Date	Time	Country	Event	Period	Expectation	Actual	Prior	Revised
Sept-02	10:30	IN	Manufacturing PMI	Aug	--	48.5	50.1	--
Sept-02	13:00	SZ	Manufacturing PMI	Aug	56.0	54.6	57.4	--
Sept-02	13:30	EZ	Manufacturing PMI	Aug F	51.3	51.4	51.3	--
Sept-02	14:00	UK	Manufacturing PMI	Aug	55.0	57.2	54.6	54.8
Sept-03	6:30	CH	Non-manufacturing PMI	Aug	--	53.9	54.1	--
Sept-03	7:00	AU	Current Account Balance (AUD bn)	2Q	-8.5	-9.4	-8.5	-8.7
Sept-03	7:00	AU	Retail Sales (%MoM)	Jul	0.4	0.1	0.0	--

Developments since yesterday

- India's August HSBC manufacturing PMI came in at 4 ½ year low of 48.5 as against prior reading of 50.1.
- India's upper house of Parliament, the Rajya Sabha, yesterday passed the Food Security Bill.
- UK CIPS/Markit August manufacturing PMI came in at 57.2, highest since Feb 2011. Further, Eurozone also reported positive manufacturing data print yesterday.
- US stocks were closed for trading yesterday on account of US Labour Day holiday.
- Asian stocks are trading largely in the green this morning amidst positive manufacturing and services data prints from China and Eurozone. Nikkei is up by 2.49% on the back of a weaker Yen. Further, Hang Seng and Kospi are trading higher by 1.14% and 0.54% respectively. Australian ASX is also up by 0.15%, aided by a slight pick up in retail sales in July. However, Shanghai Composite is trading flat.
- US Treasuries are trading lower today morning amidst speculations of an early reduction in Fed's asset purchase program. Going ahead, markets await ISM manufacturing Index data and Markit PMI for further cues. The 10-year benchmark yield is currently trading at 2.82% as against Friday's close of 2.78%.

Data Today

Time	Country	Event	Period	Expectation	Prior
10:00	AU	RBA Cash Rate (%)	Sep-03	2.5	2.5
11:15	SZ	GDP (%QoQ)	2Q	0.3	0.6
18:28	US	Markit US PMI	Aug F	--	--
19:30	US	ISM Mfg. Index	Aug	54.0	55.4

View Today

	Trend		Support (1)	Support(2)	Resistance (1)	Resistance (2)	Market level*
	Intraday	Fortnight					
DXV	Bullish	Bullish	82.00	81.70	82.65	82.80	82.30
EUR/USD	Bearish	Rangebound	1.3165	1.3140	1.3220	1.3250	1.3190
GBP/USD	Rangebound	Rangebound	1.5520	1.5508	1.5575	1.5597	1.5550
USD/JPY	Bullish	Bullish	99.20	99.00	99.60	99.80	99.40
USD/CHF	Rangebound	Bearish	0.9320	0.9300	0.9369	0.9400	0.9346
USDINR(Spot)	Bearish	--	66.10	65.70	66.60	67.25	66.66
AUD/USD	Bearish	Rangebound	0.8940	0.8900	0.9000	0.9025	0.8978
USD/CAD	Bullish	Rangebound	1.0520	1.0500	1.0575	1.0600	1.0555
	Trend		Trading Range				Market level*
	Intraday	Fortnight					
Sensex	Rangebound	--	18700-18950				18877
Gold	Rangebound	--	\$1375/\$1405				\$1,392
Brent Oil	Rangebound	--	\$112.6-\$115.3				\$114.2

DXY	The US Dollar continues to find support amidst persistent speculation over early QE-tapering by the US Fed. The DXY index is currently trading higher at 82.27 compared to yesterday's close of 82.09. The Dollar rose to a one-month high against the Japanese Yen as the safe-haven demand for the Yen dampened owing to easing of concerns around Syria. However, the US Dollar is trading weaker against a host of Emerging Markets (EM) currencies owing to upbeat risk sentiment. Manufacturing data released yesterday from China and Europe were largely positive, thereby aiding the riskier currencies vis-à-vis the US Dollar. Intraday, markets look forward to ISM manufacturing data, for further cues on Fed's stance. The intraday trend for DXY is bullish with support and resistance at 82.00 and 82.65 respectively.
EUR/USD	The Euro is currently trading flat around yesterday's close of 1.3192, albeit holding on to most of yesterday's losses. The Euro had fallen by 0.23% yesterday, despite positive manufacturing-related data prints, as markets remain cautious ahead of ECB's policy decision later this week. Speculation that the Central Bank might further reduce interest rates in the future continues to weaken the common currency. The intraday trend for the Euro is bearish, with support and resistance at 1.3165 and 1.3220 respectively.
GBP/USD	The British Pound is currently trading stronger at around 1.5553 as against 1.5544 against the Dollar earlier. The Pound received support after a strong manufacturing PMI data print, which came in at 57.2 in August as compared to 54.8 in July, which marked the fifth consecutive month of expansion. In other developments, the UK 10 year gilt yield has also been pushed up significantly to a two year high and is currently trading at levels above 2.85%. The intra day trend for the GBP/USD cross is range bound with support and resistance at 1.5520 and 1.5575 respectively.
USD/JPY	The USDJPY and other Yen related crosses traded higher amidst a calming of risk aversion in the global markets as the Syria situation seems to be put on hold. The Yen is trading weaker at around 99.49 against the Dollar as compared to 99.33 at the previous close. The Nikkei also registered strong gains amidst new Toshin issuances. Technically, the intra day trend for USD/JPY cross is bullish with support at 99.20 and resistance at 99.60.
USD/CHF	USD/CHF is trading steady at around 0.9345 levels against the Dollar mostly unchanged as compared to the previous close. In other developments, the Vice chairman of the Swiss National Bank Danthine said that at the present moment the EURCHF cap was justified and would not be lifted in the near future. Meanwhile, the Q2 GDP data is due later today and will be watched for further cues about the economy. Technically, USD/CHF is expected to trade ranged with support at 0.9320 and resistance at 0.9369.
AUD/USD	The Australian Dollar is trading little changed this morning at 0.8978, flat around yesterday's close as markets remained on the sidelines ahead of the RBA policy meeting due today. Meanwhile, Australia's current account deficit widened to AUD 9.4 bn as against Q1 reading of AUD 8.5 bn, which weighed on the currency. However, a slight pick up in retail sales in July gave some support to the Aussie. Further, the international copper price is trading higher by around 2.0% this morning, which aided the Aussie. Technically, we expect AUD/USD to trade bearish with support at 0.8940 and resistance at 0.9000.
USD/CAD	The Canadian Dollar is trading lower at 1.0554 as compared to yesterday's close of 1.0544 amidst a decline in crude oil prices which weighed on the currency. Going ahead, markets await BoC policy meeting due tomorrow for further cues. Technically, we expect USD/CAD to trade bullish with support at 1.0520 and resistance at 1.0575.

Sensex	Indian stock markets ended almost 1.5% higher yesterday, which marked the highest gains in more than two weeks amidst positive cues from Asian peers and after FII's ended a 11 day selling streak. Equity markets will still look for cues from the global economy and the possibility of implementation of other measures to prop up the domestic markets especially the Rupee. A cooling of global risk aversion will also help to support domestic equity indices. The stock markets are trading mostly flat currently. Technically, Sensex is expected to trade in the range of 18700-18950.
USD/INR	The Indian Rupee opened weaker at around 66.30 levels against the Dollar, as compared to the previous close of around 66.00. It is currently trading at around 66.64 levels primarily on the back of broad based Dollar strength. However, sharp losses are expected to be limited by some underlying strength in the domestic stock indices. Rupee markets will watch for any further announcements from authorities to stem any volatility. The intraday trend for USDINR is bearish with support at 66.10 and resistance at 67.25.
Gsec	The Indian Government bonds opened higher today morning following RBI's announcement of a reduction in the notified amount for the auction sale of dated securities to INR 100 bn from INR 150 bn due this Friday. However, a weaker Rupee is expected to weigh on the Gilts. Further, dismal August manufacturing PMI released yesterday also weighed on the sentiment. In allied news, Rajya Sabha passed the Food security Bill yesterday. Going ahead, RBI will auction 8.12% bond due 2020 and 8.28% bond due 2027 worth INR 30 bn and INR 70 bn respectively on Friday. The yield on the benchmark 7.16% bond due 2023, is currently at 8.32% vs. yesterday's close of 8.46%.
Oil	Crude oil prices are trading lower today morning on the back of a stronger greenback. However, supply concerns amidst prospects of US military action on Syria gave some support to the oil prices and limited the downside. Going ahead, markets will closely watch Energy Department's inventory data due later this week for further cues. Brent is currently at USD 114.2/bbl vs. USD 114.33/bbl yesterday. Technically, Brent is expected to trade ranged between USD 112.6 -115.3/bbl.
Gold	Gold prices are trading slightly higher today morning, aided by value buying following substantial losses yesterday. Stability in investment demand as reflected in SPDR Gold Trust holdings remaining steady at 921.03 tonnes, further supporting . However, a stronger Dollar weighed on the metal prices and limited the gains. Spot gold is currently trading largely steady at USD 1393/oz compared to prior close of USD 1390/oz. Technically gold is expected to trade ranged between USD 1375-1405/oz.

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