

### Dollar Index

Time Frame: Daily & 4-hour

Dollar Index, in the preceding week, ended in a small bullish candlestick formation on the weekly chart, it ended higher by 0.73% for the week. In the preceding week we had mentioned, “In the coming week index is likely to decline further towards 92.00 & 91.25, while it could face resistance at 92.80 & 93.30”, the index registered a low of 91.72 thus achieving our first downside target and missing the second target by 47 pips.

On the weekly charts, index has ended in small bullish candlestick formation making a “bullish piercing” formation indicating that the medium down trend could halt. However on the daily charts the index is at the resistance of the 20-day SMA suggesting near term correction. In the coming week index is likely to first decline towards 92.40 & 92.00 before finding support and rebounding, while it could face resistance at 93.20 & 93.60.

Dollar index	
Closing price	92.97
Prev. week close	92.30
Weekly change (%)	0.73%
RSI (Daily)	46.08
20-day SMA	92.92
50-day SMA	94.35
100-day SMA	96.49

Pivot Table	
R3	95.05
R2	94.14
R1	93.56
Pivot point	92.65
S1	92.07
S2	91.16
S3	90.58



## EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended lower by 0.55%. In the previous report we had mentioned “we can expect it to rise further in the coming sessions, it is likely that the pair will gain towards 1.1950 & 1.2010, while support is seen near 1.1825 & 1.1775”, it made a high of 1.1201, thus achieving our first target and missing second one by only 9 pips.

On the daily charts, the Euro has closed just near the 20-day SMA suggesting a rebound for the pair in the coming sessions. The medium term trend remains bullish and we maintain our rebound view on the currency. It is likely that the pair will rise towards 1.1880 & 1.1920 on the upside, while support is seen near 1.1780 & 1.1750.

EURUSD	
Closing price	1.1838
Prev. week close	1.1903
Weekly change (%)	-0.55%
RSI (Daily)	53.12
20-day SMA	1.1839
50-day SMA	1.1645
100-day SMA	1.1341

Pivot Table	
R3	1.2202
R2	1.2107
R1	1.1972
Pivot point	1.1877
S1	1.1742
S2	1.1647
S3	1.1512



## GBPUSD

**Time Frame: Daily & 4-hour**

GBPUSD ended the week lower by 0.55%. In the previous week we had mentioned “Cable has cleared its 1.3200-50 resistance zone on a closing basis paving way for a further rise. The currency pair is likely to rise towards 1.3425 & 1.3500 while support is seen near 1.3230 & 1.3150”, it made a high near 1.3483 thus achieving our first target and missing the second target by 17 pips.

On the weekly charts, the pair has ended in a doji candlestick formation suggesting the pair could be losing steam in the medium term, however the near term trend remains strong. On the daily charts, Pound has ended in a hammer type candlestick formation near the “Change of polarity” support zone signifying rebound in the offing. The currency pair is likely to rise towards 1.3335 & 1.3380 while support is seen near 1.3210 & 1.3150.

GBPUSD	
Closing price	1.3279
Prev. week close	1.3353
Weekly change (%)	-0.55%
RSI (Daily)	59.57
20-day SMA	1.3185
50-day SMA	1.2912
100-day SMA	1.2664

Pivot Table	
R3	1.3755
R2	1.3618
R1	1.3449
Pivot point	1.3312
S1	1.3143
S2	1.3006
S3	1.2837



## USDJPY

**Time Frame: Daily & 4-hour**

The USDJPY ended the week higher by 0.83%. In the previous report we had mentioned, “the downtrend is likely to resume in the coming week, we could see USDJPY declining towards 104.60 & 104.00 while resistance is seen at 106.00 & 107.00”, it moved against our expectations as it rose higher.

On the weekly charts, the pair has ended in a bullish engulfing candlestick formation signifying the trend to have turned bullish. However it may take some time for the trend to be fully bullish and some consolidation could be experienced before a rally. Some range bound motion or correction could be witnessed in the coming sessions before further rally unfolds. We could see USDJPY trading range bound in the 106.90-105.40 zone.

USDJPY	
Closing price	106.24
Prev. week close	105.37
Weekly change (%)	0.83%
RSI (Daily)	52.08
20-day SMA	106.14
50-day SMA	106.43
100-day SMA	106.92

Pivot Table	
R3	108.01
R2	107.28
R1	106.76
Pivot point	106.03
S1	105.51
S2	104.78
S3	104.26



## USDCAD

**Time Frame: Daily & 4-hour**

USDCAD ended the preceding week lower by 0.28%. In the previous report we had mentioned “Our view remains bearish and we expect the established downtrend to continue in the near term. USDCAD could decline further towards 1.3035 & 1.2985 levels, while resistance is seen near 1.3150 & 1.3245”, it made a low of 1.2992, thus achieving our first target and missing the second target by 7 pips.

On the daily charts, the currency is trading in a lower top lower bottom formation indicating the trend to bearish in the near and the medium term, further it is trading below the 20-day SMA and has not closed above the 20-day SMA since 14<sup>th</sup> of July. Our view remains bearish and we expect the established downtrend to continue. USDCAD could decline further towards 1.3015 & 1.2975 levels, while resistance is seen near 1.3130 & 1.3175.

USDCAD	
Closing price	1.3062
Prev. week close	1.3099
Weekly change (%)	-0.28%
RSI (Daily)	36.20
20-day SMA	1.3173
50-day SMA	1.3358
100-day SMA	1.3587

Pivot Table	
R3	1.3319
R2	1.3241
R1	1.3151
Pivot point	1.3073
S1	1.2983
S2	1.2905
S3	1.2815



## AUDUSD

**Time Frame: Daily & 4-hour**

Australian Dollar for the week ended lower by -1.13%. In the previous report we had mentioned, “The pair could rise further towards 0.7420-0.7500 while support is seen at 0.7250 & 0.7180 in coming days”, it made a high of 0.7414 thus missing our first target by 6 pips.

AUDUSD on the daily charts experienced correction and found support at the 20-day SMA suggesting Aussie could rebound in the coming sessions. Positive slope of the 20-day SMA support our view on the pair. The AUDUSD could rise towards 0.7340 & 0.7390 while support is seen at 0.7230 & 0.7180 in coming sessions.

AUDUSD	
Closing price	0.7282
Prev. week close	0.7365
Weekly change (%)	-1.13%
RSI (Daily)	56.87
20-day SMA	0.7231
50-day SMA	0.7121
100-day SMA	0.6887

Pivot Table	
R3	0.7582
R2	0.7498
R1	0.7390
Pivot point	0.7306
S1	0.7198
S2	0.7114
S3	0.7006



## NZDUSD

**Time Frame: Daily & 4-hour**

The NZDUSD ended the week lower by 0.33%. In the previous report we had mentioned, “A rise towards 0.6790 & 0.6855 is likely to be witnessed while support is seen near 0.6690 & 0.6630”, the pair made a high of 0.6790 thus hitting our first upside target.

On the daily charts, the pair currently stands at the 38.20% retracement level of the rise experienced from 20<sup>th</sup> of August to 2<sup>nd</sup> September; this suggests support for the Kiwi dollar indicating rebound in the offing. Albeit medium term trend seems to be losing steam as it has ended in a doji candlestick formation near a resistance zone. Before any further changes in the medium term trend, we expect it to rebound to earlier highs. A rise towards 0.6750 & 0.6790 is likely to be witnessed while support is seen near 0.6685 & 0.6655.

NZDUSD	
Closing price	0.6721
Prev. week close	0.6743
Weekly change (%)	-0.33%
RSI (Daily)	61.26
20-day SMA	0.6620
50-day SMA	0.6601
100-day SMA	0.6412

Pivot Table	
R3	0.6905
R2	0.6847
R1	0.6784
Pivot point	0.6726
S1	0.6663
S2	0.6605
S3	0.6542



## USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the week lower by 0.33%. In the preceding report we had mentioned, "In the coming week we expect the pair to decline towards 6.8400-6.8200 while it could face resistance at 6.8900 & 6.9200", the pair made a low near 6.8114, thus achieving both of our downside targets.

On the daily charts, the pair is trading in a lower top lower bottom formation signifying the trend to be bearish. Negative slope of the 20-day SMA also supports our bearish view. If the pair rises further, it could face resistance near 6.8600 & 6.8800 to resume its downtrend towards 6.8200 & 6.8000.

USDCNY	
Closing price	6.8425
Prev. week close	6.8654
Weekly change (%)	-0.33%
RSI (Daily)	27.78
20-day SMA	6.9018
50-day SMA	6.9635
100-day SMA	7.0274

Pivot Table	
R3	6.9177
R2	6.8907
R1	6.8666
Pivot point	6.8396
S1	6.8155
S2	6.7885
S3	6.7644



## Major events that lead to price movement in the previous week

- ❑ Fed is not planning to raise rates any time soon**

Federal Reserve Chairman, Jerome Powell, has on Friday said that the U.S. jobs report for August was "a good one," but noted that with gains likely to slow, the Central Bank is planning to keep its foot on the monetary policy gas pedal for years. He further said that the economy is going to need low-interest rates, which support economic activity, for an extended period of time, and it will be measured in years.
- ❑ U.S. debt has reached the highest level**

US debt has reached its highest level, compared to the size of the economy, since World War II, and is projected to exceed further next year, due to the coronavirus pandemic. The Congressional Budget Office said on Wednesday that the federal debt held by the public, is projected to reach, or exceed 100% of U.S. Gross Domestic Product, the broadest measure of U.S. economic output, in the fiscal year that begins on Oct. 1. This would put the U.S. in the company of a handful of nations, with debt loads that exceed their economies, including Japan, Italy, and Greece.
- ❑ Australia enters in to first recession in nearly three decades**

The coronavirus pandemic has officially pushed Australia into its first recession in nearly three decades. The country's GDP contracted 7% in the second quarter, compared to the prior one, the Australian Bureau of Statistics (ABS) said on Wednesday. It marks the second straight quarter of declines for Australia — GDP shrank 0.3% in the first quarter — and the largest drop since records began in 1959. It was also worse than the expected 5.9% drop.
- ❑ U.S. unemployment rate falls to 8.4%, even as hiring slows**

U.S. unemployment dropped sharply in August, from 10.2% to a still-high 8.4%, with about half the 22 million jobs, lost to the coronavirus outbreak recovered so far, the government said on Friday, in one of the last major economic reports, before Election Day. Employers added 1.4 million jobs last month, down from 1.7 million in July, and the fewest since hiring resumed in May. Further, an increasingly large share of Americans reported that their jobs are gone for good, according to the Labour Department report.
- ❑ Fresh measures needed to prop up U.K. economy**

New Actions will be needed to support Britain's economy, as it emerges from a temporary sweet spot, caused by massive government financial support, and the lifting of lockdown restrictions, a Bank of England policymaker, Michael Saunders, has said. It is unlikely that the economy's recovery over the next two years would be as strong as the MPC forecast last month. It projected an expansion of 9% in 2021. The Bank would need to provide additional stimulus, to support activity, and prevent inflation below 2%
- ❑ United States ISM manufacturing PMI rises**

ISM's Manufacturing Purchasing Manager's Index (PMI) climbed from 54.2 in July to 56 in August, as the economic activity in the United States manufacturing sector expanded at a stronger pace in August than it did in the previous month

- **Reserve Bank of Australia kept interest rates steady at 0.25%**  
RBA (Reserve bank of Australia) kept interest rates constant at 0.25%, in its monthly monetary statement, the RBA resolved to maintain the cash rate at 25bps; saying the policy measures were supporting the Australian economy
  
- **Canada adds 245.8k jobs in August, unemployment rate at 10.2%**  
The pace of gains in Canada's job market slowed in August, as Canada reported that the economy added 245.8k jobs against expected 262.5K, further the unemployment rate was more than anticipated at 10.2% against expected 10.1%.

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