

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the preceding week, ended lower by 0.80%. In the previous report we had mentioned, “In the coming week it is likely to rise towards 94.30 and 94.60 while it sustains above 93.25, support is seen at 93.25 and 92.80”, it moved lower as it could not sustain above 93.25, while taking support above the second support.

On the weekly charts, dollar index has ended in a bearish candlestick formation as it corrected in the previous week after sliding in the week previous to that as well. On the daily charts, the index declined as it could not sustain above the 20-day SMA. In the coming week it could face resistance at 93.50 and 94.00 while support is seen at 92.70 and 92.00.

Dollar index	
Closing price	93.06
Prev. week close	93.81
Weekly change (%)	-0.80%
RSI (Daily)	41.93
20-day SMA	93.65
50-day SMA	93.27
100-day SMA	94.92

Pivot Table	
R3	94.53
R2	94.22
R1	93.64
Pivot point	93.32
S1	92.74
S2	92.43
S3	91.85



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended higher by 0.94%. In the previous report we had mentioned, “In the coming week we can expect the currency pair to decline towards 1.1670 and 1.1620 while it could face resistance near 1.1750 and 1.1780”, it moved sharply higher surpassing both the resistances mentioned, as dollar weakened against major currencies.

On the weekly charts, the pair has ended in a bullish candlestick formation in the previous week as it continued to rebound. On the daily charts, the pair has closed above the 20-day SMA indicating positive momentum for the pair. In the coming week we can expect the currency pair to face resistance at 1.1860 and 1.1900 while it could find support near 1.1780 and 1.1740.

EURUSD	
Closing price	1.1826
Prev. week close	1.1716
Weekly change (%)	0.94%
RSI (Daily)	57.54
20-day SMA	1.1756
50-day SMA	1.1801
100-day SMA	1.1567

Pivot Table	
R3	1.1993
R2	1.1912
R1	1.1869
Pivot point	1.1788
S1	1.1745
S2	1.1664
S3	1.1621



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended higher by 0.78%. In the previous week, we had mentioned, “In the coming week we could see the pound facing resistance at 1.3000 and 1.3050, while it could find support at 1.2835 and 1.2760”, it made a high of 1.3051, thus hitting both the mentioned resistances on the upside.

On the weekly charts, the pair closed in a bullish candlestick formation above the previous week’s high indicating optimism for the pair. On the daily charts, the pair has closed above the resistance of 1.3000 and it would be prudent to observe if it sustains above this level or not. In the coming week we could see the pound facing resistance at 1.3080 and 1.3140, while it could find support at 1.2980 and 1.2930.

GBPUSD	
Closing price	1.3036
Prev. week close	1.2935
Weekly change (%)	0.78%
RSI (Daily)	58.58
20-day SMA	1.2878
50-day SMA	1.3029
100-day SMA	1.2803

Pivot Table	
R3	1.3313
R2	1.3181
R1	1.3109
Pivot point	1.2977
S1	1.2905
S2	1.2773
S3	1.2701



USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week higher by 0.31%. In the previous report we had mentioned, “We could see USDJPY pair trade sideways in the 106.20-104.70 range with a positive bias”, it traded in the mentioned range as it made a high of 106.11 and low of 105.29.

On the weekly charts, the pair ended in a small bullish candlestick formation signifying some buying, further the candle also has an upper shadow indicating overhead resistance. On the daily charts, the currency is approaching the 20-day SMA indicating support at lower levels, conflicting indications signify that the currency pair could trade range bound in the coming week. It looks likely that the pair could trade sideways in the 106.20-104.70 range with a negative bias.

USDJPY	
Closing price	105.62
Prev. week close	105.29
Weekly change (%)	0.31%
RSI (Daily)	50.34
20-day SMA	105.39
50-day SMA	105.80
100-day SMA	106.51

Pivot Table	
R3	106.89
R2	106.50
R1	106.06
Pivot point	105.67
S1	105.23
S2	104.84
S3	104.40



USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week lower by 1.41%. In the previous report we had mentioned, “In the coming week we can expect the Canadian dollar to rebound towards 1.3355 and 1.3400, while support could be seen at 1.3260 and 1.3210”, it made a low of 1.3107, as dollar index weakened against all major currencies.

On the weekly charts, the currency pair ended in a long bearish candlestick formation, continuing to decline after finding resistance at the 20-week SMA in the week previous to that. On the daily chart, the pair is trading below the 20-day SMA; RSI is also declining indicating the Canadian pound could trade lower. In the coming week we can expect the Canadian dollar to decline towards 1.3070 and 1.3000, while resistance could be seen at 1.3180 and 1.3250.

USDCAD	
Closing price	1.3121
Prev. week close	1.3308
Weekly change (%)	-1.41%
RSI (Daily)	36.33
20-day SMA	1.3274
50-day SMA	1.3229
100-day SMA	1.3392

Pivot Table	
R3	1.3502
R2	1.3422
R1	1.3271
Pivot point	1.3191
S1	1.3040
S2	1.2960
S3	1.2809



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended higher by 1.10%. In the previous report we had mentioned, “In the coming week we can expect the pair to decline towards 0.7115 and 0.7080, while resistance is seen at 0.7210 and 0.7245 “, the pair rose higher and made a high of 0.7244 thus missing our second upside resistance by only 1 pip.

On the weekly charts, the currency pair has ended in a bullish candlestick formation for the second consecutive week indicating continued buying. On the daily charts, the pair ended above the 20-day SMA indicating optimism and further upside potential. In the coming week we can expect the pair to rise towards 0.7265 and 0.7300 while support is seen at 0.7200 and 0.7140.

AUDUSD	
Closing price	0.7240
Prev. week close	0.7161
Weekly change (%)	1.10%
RSI (Daily)	56.93
20-day SMA	0.7179
50-day SMA	0.7208
100-day SMA	0.7072

Pivot Table	
R3	0.7437
R2	0.7340
R1	0.7290
Pivot point	0.7193
S1	0.7143
S2	0.7046
S3	0.6996



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the previous week higher by 0.38%. In the prior report we had mentioned, “In the coming week we can expect the pair to correct towards 0.6600 and 0.6575, while resistance is seen at 0.6670 and 0.6700”, it made a high of 0.6674 and low of 0.6547, thus achieving both our downside targets while also rising to hit our first resistance and miss our second resistance by 26pips.

On the weekly charts, the pair continued to rise for the second consecutive week after taking support at the 20-week SMA. On the daily charts, the pair rose sharply on Friday signifying optimism and further upside potential, RSI in buy mode corroborates our observation. In the coming week we can expect the pair to rise towards 0.6690 and 0.6725, while support is seen at 0.6630 and 0.6600.

NZDUSD	
Closing price	0.6666
Prev. week close	0.6641
Weekly change (%)	0.38%
RSI (Daily)	55.59
20-day SMA	0.6635
50-day SMA	0.6632
100-day SMA	0.6559

Pivot Table	
R3	0.6836
R2	0.6755
R1	0.6710
Pivot point	0.6629
S1	0.6584
S2	0.6503
S3	0.6458



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week lower by 1.42%. In the preceding report we had mentioned, "In the coming week we can expect the pair to decline towards 6.7700 and 6.7500 while it could face resistance near 6.8100 and 6.8300.", it moved sharply lower and made a low of 6.6933, thus achieving both our downside targets.

On the weekly charts, the pair ended in a long bearish candlestick formation signifying the trend to be negative for the pair, the RSI is declining supporting our observation, and it is trading below the 20-day SMA corroborating our view. In the coming week we can expect the pair to decline towards 6.6800 and 6.6600 while it could face resistance near 6.7200 and 6.7400.

USDCNY	
Closing price	6.6947
Prev. week close	6.7908
Weekly change (%)	-1.42%
RSI (Daily)	26.74
20-day SMA	6.8031
50-day SMA	6.8814
100-day SMA	6.9749

Pivot Table	
R3	6.7599
R2	6.7463
R1	6.7205
Pivot point	6.7069
S1	6.6811
S2	6.6675
S3	6.6417



Major events that lead to price movement in the previous week

U.S Services PMI

Economic activity in the services industry has gone up considerably for four consecutive months. It currently holds at 57.8%, against the forecast of 56.3%, up 0.9% from the previous month.

RBA rate statement

The RBA (Reserve Bank of Australia) has decided to keep the interest rate unchanged at 0.25%. The board has shown rising concerns for the high unemployment rate, and in order to address this issue, they could consider further monetary measures to support the recovery. The RBA's balance sheet is in good shape, which can continue supporting the monetary and fiscal measures. The RBA has given a forecast of -6% GDP for the year 2020, and 5% for 2021 respectively.

FED Chairman Powell speaks

The Fed Chairman spoke about the wide range of monetary measures taken during the pandemic in order to recover from the same. Payroll has recovered almost by 50%, while the unemployment rate is currently at 7.9%, which shows a significant rebound, and is expected to go down further to 4% by the year 2023. He further speaks about rising concerns of household insolvency and business bankruptcy. Talking about inflation, the Committee is targeting the inflation rate at 2%.

FOMC Meeting Minutes

In the FOMC minutes, the staff gave a briefing on the economic and financial situation. CPI (Consumer Price Index) increased by 1.3% YOY, in the month of August. Over the last two months, the U.S international trade deficit has widened, as imports have increased more than exports. The Committee has decided to keep the inflation rate over 2%, and the Federal funds interest rate range between 0 to 0.25%. The Committee has also made a projection of 4% GDP (Gross Domestic Product) for the year 2021, which is currently running at -3.7%, and the unemployment rate of 5.5% for the year 2021, which is currently at 7.6%.

BOE Governor, Mr. Andrew Bailey speaks

Bank of England (BoE) Governor, Mr. Andrew Bailey has said that the second wave of COVID-19 won't have much of an impact on the economy. In an interview, Mr. Bailey has said that COVID-19 will "obviously add to economic uncertainty," and also assured that they have enough options, as they are ready to bounce back from any situation.

BOC Governor, Mr Tiff Macklem speaks

Bank of Canada Governor, Mr. Tiff Macklem showed concerns on financial risks associated with the pandemic, which is affecting the jobs, and income of millions. He further added "Canada's financial system has shown its resilience. It continues to work as a shock absorber, helping Canadian households, and businesses deal with the economic impact of the pandemic." Housing prices are increasing due to gambling, as buyers are taking additional debt to buy at a price above their potential.

- **U.S Unemployment claims**
U.S unemployment claims stood at 840k against the forecast of 820k, a decrease of 9k on a WoW basis from 849k.

- **Canada employment change**
Canada employment figures stood at 378.2k, against the expectations of 150k, which is an increase by 132.4k, since the last month, from 245.8k. The Canadian labour market recorded its 5th consecutive month of strong jobs gain. The unemployment rate stood at 9%, against the forecast of 9.8%, which is a change of 1.2%, from the previous month.

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