

## Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the previous week, ended higher by 0.32%. In the preceding week we had mentioned, “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”, the index registered a high of 93.66 near our second resistance, post which it declined in the latter half of the week.

On the weekly charts, index has ended in small bullish candlestick formation with an upper wick suggesting lack of buying at higher levels. On the daily charts the index is at the resistance of the downward sloping trend line signifying resistance at higher levels. In the coming week index is likely to decline towards 92.85 & 92.40, while it could face resistance at 93.65 & 94.00.

Dollar index	
Closing price	93.27
Prev. week close	92.97
Weekly change (%)	0.32%
RSI (Daily)	50.09
20-day SMA	92.89
50-day SMA	93.95
100-day SMA	96.14

Pivot Table	
R3	94.68
R2	94.17
R1	93.72
Pivot point	93.21
S1	92.76
S2	92.25
S3	91.80



## EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended higher by 0.07%. In the previous report we had mentioned “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”, it made a high of 1.1917, thus missing our second target by mere 3 pips.

The medium term trend for the Euro remains bullish; RSI in buy mode supports our optimistic view on the pair. On the weekly chart, the pair is trading above the 20-week SMA signifying the medium term trend to be positive for the pair. Momentum indicators in buy mode corroborate our optimistic view on the Euro. It is likely that the pair will rise towards 1.1890 & 1.1950 on the upside, while support is seen near 1.1775 & 1.1720.

EURUSD	
Closing price	1.1846
Prev. week close	1.1838
Weekly change (%)	0.07%
RSI (Daily)	54.20
20-day SMA	1.1846
50-day SMA	1.1702
100-day SMA	1.1390

Pivot Table	
R3	1.2088
R2	1.2003
R1	1.1924
Pivot point	1.1839
S1	1.1760
S2	1.1675
S3	1.1596



## GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the preceding week ended lower by 3.64%. In the previous week, we had mentioned “The currency pair is likely to rise towards 1.3335 & 1.3380 while support is seen near 1.3210 & 1.3150”, it made a low near 1.2763 thus moving in the opposite direction to our expectations due to the negative Brexit news.

On the weekly charts, the pair has ended in a long bearish candlestick formation signifying weakness. On the daily charts, it has closed well below the 20-day SMA as selling intensified through the course of the week also breaching an upward sloping trend line. The currency pair is likely to decline towards 1.2740 & 1.2650, while resistance is seen near 1.2900 & 1.2990.

GBPUSD	
Closing price	1.2796
Prev. week close	1.3279
Weekly change (%)	-3.64%
RSI (Daily)	30.88
20-day SMA	1.3157
50-day SMA	1.2965
100-day SMA	1.2694

Pivot Table	
R3	1.3647
R2	1.3463
R1	1.3130
Pivot point	1.2946
S1	1.2613
S2	1.2429
S3	1.2096



### USDJPY

Time Frame: Daily & 4-hour

The USDJPY ended the preceding week lower by 0.08%. In the previous report we had mentioned, “We could see USDJPY trading range bound in the 106.90-105.40 zone”, it made a high of 106.39 and a low of 105.78, thus trading in the mentioned range.

On the weekly charts, the pair has ended in a doji candlestick formation signifying indecision at current levels. Though the medium term trend has turned bullish, the pair might consolidate near current levels before rising, some sideways movement might be witnessed before rising higher. On the daily charts, the pair is trading in a symmetrical triangle and could experience a breakout on the upside only on a break of 106.40. We could see USDJPY trading range-bound in the 106.40-105.70 zone; a rise towards 106.75 & 107.00 could only be witnessed on a break of 106.40 on the upside.

USDJPY	
Closing price	106.16
Prev. week close	106.24
Weekly change (%)	-0.08%
RSI (Daily)	50.83
20-day SMA	106.03
50-day SMA	106.29
100-day SMA	106.84

Pivot Table	
R3	107.01
R2	106.69
R1	106.43
Pivot point	106.11
S1	105.85
S2	105.53
S3	105.27



### USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week higher by 0.90%. In the previous report we had mentioned “USDCAD could decline further towards 1.3015 & 1.2975 levels, while resistance is seen near 1.3130 & 1.3175”, it made a high of 1.3259, thus moving against our expectations.

On the weekly charts, the currency pair has closed in a bullish engulfing candlestick formation signifying the medium term trend to be turning positive, however the candle also has a long wick on the upside indicating lack of buying at higher levels. On the daily charts, the Canadian dollar made a “dark cloud cover” candlestick formation on 9<sup>th</sup> September, signifying the pair might consolidate before moving in either direction. USDCAD could decline further towards 1.3130 & 1.3090 levels, while resistance is seen near 1.3230 & 1.3255.

USDCAD	
Closing price	1.3179
Prev. week close	1.3062
Weekly change (%)	0.90%
RSI (Daily)	49.96
20-day SMA	1.3146
50-day SMA	1.3317
100-day SMA	1.3539

Pivot Table	
R3	1.3488
R2	1.3374
R1	1.3276
Pivot point	1.3162
S1	1.3064
S2	1.2950
S3	1.2852



## AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar for the week ended higher by 0.03%. In the previous report we had mentioned, “The AUDUSD could rise towards 0.7340 & 0.7390 while support is seen at 0.7230 & 0.7180 in coming sessions”, it moved lower before rebounding to make high of 0.7324 missing our first target by 6 pips.

AUDUSD on the daily charts is trading in a higher top higher bottom formation suggesting the trend to be bullish in the near term. Momentum indicators in buy mode support the optimistic view on the pair, further the Aussie also stands at the support of the 20-day SMA suggesting support near current levels. The AUDUSD could rise towards 0.7335 & 0.7380 while support is seen at 0.7255 & 0.7210 in coming sessions.

AUDUSD	
Closing price	0.7284
Prev. week close	0.7282
Weekly change (%)	0.03%
RSI (Daily)	55.03
20-day SMA	0.7258
50-day SMA	0.7157
100-day SMA	0.6934

Pivot Table	
R3	0.7475
R2	0.7400
R1	0.7342
Pivot point	0.7267
S1	0.7209
S2	0.7134
S3	0.7076



### NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the week lower by 0.82%. In the previous report we had mentioned, “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”, on the contrary the pair made a low of 0.6601 as it moved lower.

On the weekly charts, the pair has closed in small bearish candlestick with a long lower wick indicating buying interest at lower levels. On the daily charts as well the Kiwi dollar is trading near the 20-day SMA signifying a rebound in the offing. A rise towards 0.6700 & 0.6740 is likely to be witnessed while support is seen near 0.6610 & 0.6565.

NZDUSD	
Closing price	0.6666
Prev. week close	0.6721
Weekly change (%)	-0.82%
RSI (Daily)	51.69
20-day SMA	0.6644
50-day SMA	0.6619
100-day SMA	0.6445

Pivot Table	
R3	0.6848
R2	0.6785
R1	0.6726
Pivot point	0.6663
S1	0.6604
S2	0.6541
S3	0.6482



## USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the week lower by 0.12%. In the preceding report we had mentioned, "If the pair rises further, it could face resistance near 6.8600 & 6.8800 to resume its downtrend towards 6.8200 & 6.8000", the pair made a high near 6.8559, where it faced resistance only to decline towards 6.8200.

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; we expect the down trend to continue for the pair. If the currency pair rises further, it could face resistance near 6.8600 & 6.8800 to resume its downtrend towards 6.8100 & 6.7900.

USDCNY	
Closing price	6.8344
Prev. week close	6.8425
Weekly change (%)	-0.12%
RSI (Daily)	30.68
20-day SMA	6.8737
50-day SMA	6.9401
100-day SMA	7.016

Pivot Table	
R3	6.8807
R2	6.8683
R1	6.8514
Pivot point	6.8390
S1	6.8221
S2	6.8097
S3	6.7928



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

- Hard Brexit Fears Rise**

The U.K. Prime Minister Boris Johnson went ahead with the internal market bill on 11<sup>th</sup> Sep 2020 even though he was threatened by the European leaders to Abandon the UK-EU trade deal. He further said to lawmakers it was necessary to stop the foreign power to break his own country.
- U.S. debt reached the highest level**

US federal budget deficit has surpassed \$3 trillion in the current fiscal year which is nearly triple of 2019 gap. It 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 projected that deficit would be 16% of gross domestic product by this year end, the biggest since 1945. Receipts in August fell by 2.1% YOY, while spending declined by 1.2%.
- U.S. Unemployment claims rises**

In U.S. as per the economic news on Thursday, the number of Americans who applied for unemployment benefits through state and federal programs in the week ended September 5, was unchanged at a seasonally adjusted 884,000, the Labour Department said. That the number of people already receiving benefits rose by 93,000, to a seasonally adjusted 13.39 million in the seven days ended August 29.
- ECB kept policy rates unchanged**

ECB kept the interest rate unchanged at -0.5% and main refinancing rate at 0%. They further added that this policy shift is made to achieve the targeted inflation rate.
- Bank of Canada (BOC) rates remains unchanged**

The central bank rate has remained unchanged at 0.25% since March when the economy was hit by deadly virus, which has pushed the economy in to crisis. Although business has remain closed household expenses have slightly gone up from 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
- Japan economy shrank more than expected**

The third largest economy of the world shrank by 7.9% in the second quarter of the year, registering the highest contraction since 2008 global crises. The data released by internal affairs of ministry on Tuesday showed that the household spending in July dropped by 7.6% YOY basis.

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