

## Dollar Index

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

Dollar Index, in the preceding week, continued its trend lower, as it ended the week down 0.94%, touching levels last seen in May 2018, and closed at 93.46. In the previous week we mentioned that the index could decline towards 93.80 & 93.50 levels, while resistance is seen at 95.00 & 95.50 levels, it made a low of 92.55 exceeding all our targets.

The index ended lower for six consecutive weeks, and closed in a bearish candlestick formation but with a long “wick” on the weekly charts (not seen here); this suggests that though the medium term trend is bearish the index rebounded from lows on short covering.

On the daily charts, the index is trading in a lower top, lower bottom formation, confirming the trend to be bearish in the near term. Further, it is also trading below the 20-day SMA, and the slope of the moving average is also negative, indicating that the index could slump lower.

On the 4-hour charts, it has closed above the 20 period moving average for the first time since 20<sup>th</sup> Jul, though the trend remains bearish a rebound or a short covering rally cannot be ruled out. In case a rebound is experienced it is likely to face resistance at 94.00 & 94.40, while on the downside it could drift towards 93.00 & 92.80.

Dollar Index	
Closing price	93.46
Prev. week close	94.35
Weekly change (%)	-0.94%
RSI (Daily)	26.50
20-day SMA	95.34
50-day SMA	96.58
100-day SMA	98.26

Pivot Table	
R3	96.27
R2	95.34
R1	94.40
Pivot point	93.47
S1	92.53
S2	91.60
S3	90.66



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

EURUSD, in the preceding week, continued its trend higher, as it ended the week higher by 1.05%. On the daily charts, the Euro has ended slightly lower on Friday albeit on the weekly basis it has ended higher in a bullish candlestick formation with a slight upper wick suggesting profit booking at higher levels. In the previous report we had mentioned that the currency is likely to rise further towards 1.1735 & 1.1780 levels, it made a high of 1.1908.

The pair took resistance at the upper trend line, due to which some profit booking cannot be ruled out. The momentum indicator, RSI, is trading in the positive territory suggesting the overall trend to be positive, signifying the momentum to be on the upside.

On the four hour charts, the currency pair has taken support at the 20-hour moving, suggesting it could rebound from current levels. We can expect the pair to rise further towards 1.1880 & 1.1920 levels, while in case of profit booking it could find support near 1.1700 & 1.1650.

EURUSD	
Closing price	1.1778
Prev. week close	1.1656
Weekly change (%)	1.05%
RSI (Daily)	72.35
20-day SMA	1.1507
50-day SMA	1.1333
100-day SMA	1.1109

Pivot Table	
R3	1.2182
R2	1.2045
R1	1.1912
Pivot point	1.1775
S1	1.1642
S2	1.1505
S3	1.1372



## GBPUSD

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

The GBPUSD gained and ended the week in strong candlestick formation, rather it has given a stronger weekly closing than EURUSD, closing the week 2.27% higher at 1.3077. In the previous report we had mentioned that a break above 1.2800 would open higher targets for the pound towards 1.2900 & 1.3000 levels, it made a high of 1.3170.

The Pound, on the daily chart, has a very interesting formation; it has breached out of the symmetrical triangle, and also from the upward sloping triangle as well. We had mentioned that there is a high possibility of the second triangle breakout as well. On the daily charts the pair is no doubt trading with strong momentum but some profit booking cannot be ruled out from current levels. However shorting against this trend would be swimming against the tide and must be avoided.

On the four hour chart, Cable is approaching its support zone of the 20 hour moving average indicating it could find support on a dip. The pair is a buy on dips and not a sell on rise. We see support for the pair near 1.3010 & 1.2950 from where it is likely to rebound in the near term, while resistance is seen in the 1.3165 & 1.3220.

GBPUSD	
Closing price	1.3085
Prev. week close	1.2794
Weekly change (%)	2.27%
RSI (Daily)	81.23
20-day SMA	1.2717
50-day SMA	1.2576
100-day SMA	1.2425

Pivot Table	
R3	1.3632
R2	1.3401
R1	1.3243
Pivot point	1.3012
S1	1.2854
S2	1.2623
S3	1.2465



## USDJPY

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

The USDJPY traded weak till Thursday as it continued to drift lower however it found support on Friday and bounced back sharply, thus almost making bullish engulfing pattern on the daily charts and a hammer pattern on the weekly time frame, the pair closed the week down 0.29%.

In the previous week we had mentioned, we could see the USDJPY drifting lower towards 105.25 & 104.50 levels in the forthcoming trading sessions, while resistance is seen around 106.75 & 107.50 levels, the pair made a low of 104.18. Due to such strength on the daily charts it is likely that the immediate down trend for the pair is done with and it could move up after due consolidation near current levels.

On the four hour charts the pair has risen strongly above the 20 period moving average and ended in three consecutive bullish candlestick formations indicating strong buying at lower levels. In the coming week we could see it rising towards 106.50 & 107.00 if it manages to break 106 on the upside, while support is seen at 105.00 & 104.50 levels.

USDJPY	
Closing price	105.83
Prev. week close	106.14
Weekly change (%)	-0.29%
RSI (Daily)	42.53
20-day SMA	106.61
50-day SMA	107.21
100-day SMA	107.55

Pivot Table	
R3	108.57
R2	107.36
R1	106.60
Pivot point	105.39
S1	104.63
S2	103.42
S3	102.66



## USDCAD

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

USDCAD traded absolutely sideways and lacked any kind of directional strength for the whole week; it ended the week down marginally (0.03%). In the previous week we had mentioned that USDCAD could rebound in the coming sessions towards 1.3470 & 1.3510 levels, while it sustains above 1.3330 levels, it made a high near 1.3460 missing our first target by about 10 pips.

The weekly candlestick formation of a small doji near the support zone suggests significant buying at lower levels; it is also making a potential double bottom suggesting it could gain further in the near term. On the daily charts it is making a potential double bottom indicating it could rebound in the near term.

On the four hour chart, it ended higher post which it took support at the 20 period moving average on the four hour chart supporting our argument. The USDCAD could rebound in the coming sessions towards 1.3475 & 1.3510 levels, while it sustains above 1.3330 levels.

USDCAD	
Closing price	1.3412
Prev. week close	1.3415
Weekly change (%)	-0.03%
RSI (Daily)	41.93
20-day SMA	1.3493
50-day SMA	1.3554
100-day SMA	1.3822

Pivot Table	
R3	1.3600
R2	1.3530
R1	1.3471
Pivot point	1.3401
S1	1.3342
S2	1.3272
S3	1.3213



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

The Australian Dollar ended on a positive note and closed the week with gains of 0.53%, it breached the previous weeks high but was unable to close above it on a weekly basis. In the previous week we had mentioned that the pair is likely to rise further towards 0.7150 & 0.7220 levels, it made a high of 1.7227 thus achieving both our targets.

Aussie is trading above the 20-day SMA, with RSI in the bullish territory, signifying a further upside potential for the pair. Further it has also breached the horizontal resistance zone near 0.7115 and could gain further in the coming sessions.

On the four hour charts, Aussie did correct but currently is trading near the support zone suggesting a rebound in the offing. The pair is likely to rise further towards 0.7200 & 0.7225 levels, while support is seen near 0.7095 & 0.7050 levels.

AUDUSD	
Closing price	0.7143
Prev. week close	0.7105
Weekly change (%)	0.53%
RSI (Daily)	63.08
20-day SMA	0.7051
50-day SMA	0.6935
100-day SMA	0.6611

Pivot Table	
R3	0.7358
R2	0.7292
R1	0.7218
Pivot point	0.7152
S1	0.7078
S2	0.7012
S3	0.6938



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

The NZDUSD ended the week on a flat to negative basis as it closed down 0.18%, it did rise till Thursday on a net basis but gave up more than it has gained, on Friday as it ended in a bearish candlestick pattern on the daily charts. In the previous week we had mentioned: "The currency could rise further towards its major resistance of 0.6745, it would be advisable to see if the 0.6745-50 levels are breached successfully, post which, one can determine if the pair is headed higher or not". It made a high of 0.6715 where it faced resistance as it came crashing down.

The view on the pair is not very clear and it would be prudent to wait to see if the 0.6745-50 level is breached successfully, depending on which, one can determine if the pair is headed higher or not.

<b>NZDUSD</b>	
Closing price	0.6629
Prev. week close	0.6641
Weekly change (%)	-0.18%
RSI (Daily)	56.16
20-day SMA	0.6603
50-day SMA	0.6487
100-day SMA	0.6241

<b>Pivot Table</b>	
R3	0.6786
R2	0.6751
R1	0.6690
Pivot point	0.6635
S1	0.6594
S2	0.6559
S3	0.6498



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

The USDCNY ended the week lower by 0.62% as it ended in a bearish candlestick formation on the weekly charts suggesting heavy selling. In the previous report we had mentioned the pair is likely to rise further towards 7.0500 & 7.0800 levels in the near term, while it sustains above 6.9600 levels, it made a low of 6.9642 and held above 6.9600, hence the view has not been negated. The pair is near a support zone and it could rebound and recover in the coming week. The pair is currently near the upward sloping trend line indicating support around current levels; however a breach of this support zone could push the pair lower.

On the four hour charts, the pair is trading below the 20 period moving average but if the support (6.9600) on the daily chart holds then a rebound could be experienced. In the coming sessions, the pair could rise towards 7.0000 & 7.0200 levels in the near term, while it sustains above 6.9600 on a daily closing basis, on the other hand if it closes below 6.9600 then our view of a rebound would be negated.

<b>USDCNY</b>	
Closing price	6.9752
Prev. week close	7.0184
Weekly change (%)	-0.62%
RSI (Daily)	35.68
20-day SMA	6.9989
50-day SMA	7.0566
100-day SMA	7.0607

<b>Pivot Table</b>	
R3	7.0382
R2	7.0243
R1	6.9997
Pivot point	6.9858
S1	6.9612
S2	6.9473
S3	6.9227



## Events that lead to price movement in the past week

### ■ China's July manufacturing PMI beats expectations

China's manufacturing purchasing managers index (PMI) for the month of July came in at 51.5 against expectations of 50.8; this is the 5th consecutive PMI reading above 50 suggesting expansion and positive impact of the Chinese stimulus programs

### ■ Japan's industrial output rose 2.7% in June

Japan's industrial output rose 2.7% in June'20 from May'20 against market forecast of 1.2% rise, indicating pick up in factory activity in Japan

### ■ United State's second quarter GDP falls by 32.9%

United State's Q2 GDP declined by 32.9% against an expected 34.7% contraction, this downturn in economic activity has been the fastest in the last two hundred years in United States history. Significant contraction in exports, spending by state & local government along with other factors contributed to bring the GDP down

### ■ Federal Reserve held interest rates steady

Federal Open Market Committee (FOMC) concluded its two-day meeting on Wednesday and held interest rates steady at 0-0.25%. FOMC reiterated to use its full range of tools to support the economy as long as it takes to recover from the Covid-19 impact

### ■ Federal Reserve to extend its lending programs till the end of 2020

The Federal Reserve announced today that it is extending its lending programs to businesses, individuals & the government till the end of current calendar year, program was originally set to expire on 30th September 2020

### ■ US CB Consumer Confidence Index for July dropped

On Economic data front from US, The Conference Board's Consumer Confidence Index edged lower from 98.3 in June (revised from 98.1) to 92.6 in July against market forecast of 94.5

### ■ Two day US Federal Reserve meeting begins today

As the number of Covid-19 cases continue to rise and US China trade tension are back into focus, we expect Federal to be better prepared to keep the economic recovery steady. Federal reserve measures such as infusing liquidity on a massive scale, lowering interest rates, buying more than US\$2 trillion worth of Treasuries and Mortgage Backed Securities along with many such credit easing programs helped a 'V' shaped recovery in US

### ■ Unemployment Data:

On Economic data front, US unemployment rate stood at 7.8% against forecasted of 7.7%

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