

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the preceding week, ended lower by 0.29%. In the previous week we had mentioned, “In the coming week index is likely to decline towards 92.85 & 92.40, while it could face resistance at 93.65 & 94.00”, the index registered a low of 92.77, thus achieving our first target.

On the weekly charts, the index has closed in a small bearish candlestick formation as it faced resistance at higher levels and ended lower. Currently the index is trading near the 20-day SMA; the slope of the moving average is flat suggesting lack of trend. In the coming week we can expect the index to decline towards 92.60 and 92.30, while it could face resistance near 93.25 and 92.60.

| Dollar index | |
|-------------------|--------|
| Closing price | 93.00 |
| Prev. week close | 93.27 |
| Weekly change (%) | -0.29% |
| RSI (Daily) | 46.42 |
| 20-day SMA | 92.95 |
| 50-day SMA | 93.58 |
| 100-day SMA | 95.82 |

| Pivot Table | |
|-------------|-------|
| R3 | 94.30 |
| R2 | 93.95 |
| R1 | 93.47 |
| Pivot point | 93.12 |
| S1 | 92.65 |
| S2 | 92.29 |
| S3 | 91.82 |



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended lower by 0.05%. In the previous report we had mentioned, “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”, it made a high of 1.1900, thus achieving our first target.

On the weekly charts, the pair ended in a doji candlestick formation signifying indecision in the market. On the daily charts as well the pair is chopping around the 20-day SMA signifying lack of trend for the pair. Momentum indicators are also flat supporting our view on the pair. In the coming week EURUSD is likely to trade range bound in the 1.1760-1.1900 zone.

| EURUSD | |
|-------------------|--------|
| Closing price | 1.1840 |
| Prev. week close | 1.1846 |
| Weekly change (%) | -0.05% |
| RSI (Daily) | 52.29 |
| 20-day SMA | 1.1842 |
| 50-day SMA | 1.1756 |
| 100-day SMA | 1.1438 |

| Pivot Table | |
|-------------|--------|
| R3 | 1.2076 |
| R2 | 1.1988 |
| R1 | 1.1914 |
| Pivot point | 1.1826 |
| S1 | 1.1752 |
| S2 | 1.1664 |
| S3 | 1.1590 |



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended higher by 0.95%. In the previous week, we had mentioned, “the currency pair is likely to decline towards 1.2740 & 1.2650, while resistance is seen near 1.2900 & 1.2990”, it moved against our expectations and negated our view.

On the daily charts, the currency pair has ended in a bearish candlestick formation on Friday; in the first half of the week Cable did rebound to recover some of its losses of the preceding week. However it ended in a doji candlestick formation on Thursday and seems likely to continue the downtrend beginning Friday (18th September). RSI has also started to point downwards signifying the pair could decline further. In the coming week the Pound could decline further towards 1.2850 and 1.2800, while resistance could be seen near 1.3000 and 1.3050.

| GBPUSD | |
|-------------------|--------|
| Closing price | 1.2917 |
| Prev. week close | 1.2796 |
| Weekly change (%) | 0.95% |
| RSI (Daily) | 42.18 |
| 20-day SMA | 1.3099 |
| 50-day SMA | 1.2999 |
| 100-day SMA | 1.2716 |

| Pivot Table | |
|-------------|--------|
| R3 | 1.3254 |
| R2 | 1.3130 |
| R1 | 1.3024 |
| Pivot point | 1.2900 |
| S1 | 1.2794 |
| S2 | 1.2670 |
| S3 | 1.2564 |



USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week lower by 1.50%. In the previous report we had mentioned, “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”, it declined and made a low of 104.26 thus breaking the range on the downside.

USDJPY ended in bearish candlestick formations for consecutive five days suggesting selling pressure; it has also closed below the 20-day SMA. Negative slope of the short term moving averages along with RSI in sell mode is advocating for a further slide for the pair. It would be prudent to say that pair has broken down and we could witness an established down trend in USDJPY.

| USDJPY | |
|-------------------|--------|
| Closing price | 104.57 |
| Prev. week close | 106.16 |
| Weekly change (%) | -1.50% |
| RSI (Daily) | 30.08 |
| 20-day SMA | 105.85 |
| 50-day SMA | 106.07 |
| 100-day SMA | 106.75 |

| Pivot Table | |
|-------------|--------|
| R3 | 107.65 |
| R2 | 106.92 |
| R1 | 105.74 |
| Pivot point | 105.01 |
| S1 | 103.83 |
| S2 | 103.10 |
| S3 | 101.92 |



USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week higher by 0.19%. In the previous report we had mentioned, “USDCAD could decline further towards 1.3130 & 1.3090 levels, while resistance is seen near 1.3230 & 1.3255”, it made a low of 1.3128 thus achieving our first target.

The currency pair traded sideways in the previous week to end in a doji candlestick formation; this was after experiencing a stupendous rise in the week prior to that. The medium term trend remains bearish and we could see the pair resuming its downtrend. On the daily charts, the pair on Thursday made a gravestone doji signifying selling at higher levels. In the coming week we are likely to see the pair declining towards 1.3145 and 1.3100 as it resumes its downtrend while resistance could be seen around 1.3245 and 1.3300.

| USDCAD | |
|-------------------|--------|
| Closing price | 1.3204 |
| Prev. week close | 1.3179 |
| Weekly change (%) | 0.19% |
| RSI (Daily) | 52.72 |
| 20-day SMA | 1.3143 |
| 50-day SMA | 1.3278 |
| 100-day SMA | 1.3499 |

| Pivot Table | |
|-------------|--------|
| R3 | 1.3377 |
| R2 | 1.3312 |
| R1 | 1.3258 |
| Pivot point | 1.3193 |
| S1 | 1.3139 |
| S2 | 1.3074 |
| S3 | 1.3020 |



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended higher by 0.07%. In the previous report we had mentioned, “The AUDUSD could rise towards 0.7335 & 0.7380 while support is seen at 0.7255 & 0.7210 in coming sessions”, it made a high of 0.7345, thus achieving our first target.

On the weekly charts, the pair ended in a doji candlestick formation for the second consecutive week signifying indecision & lack of trend for the Aussie, RSI has also flattened out supporting our observation. The pair ended in a doji for four consecutive days from Monday to Thursday in the previous week, which also points towards the trend being sideways for the currency pair. In the coming week we can expect the pair to trade sideways in the 0.7350-0.7250 range.

| AUDUSD | |
|-------------------|--------|
| Closing price | 0.7289 |
| Prev. week close | 0.7284 |
| Weekly change (%) | 0.07% |
| RSI (Daily) | 54.25 |
| 20-day SMA | 0.7284 |
| 50-day SMA | 0.7190 |
| 100-day SMA | 0.6974 |

| Pivot Table | |
|-------------|--------|
| R3 | 0.7429 |
| R2 | 0.7387 |
| R1 | 0.7338 |
| Pivot point | 0.7296 |
| S1 | 0.7247 |
| S2 | 0.7205 |
| S3 | 0.7156 |



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the previous week higher by 1.40%. In the prior report we had mentioned, “the pair could rise towards 0.6700 & 0.6740 is likely to be witnessed while support is seen near 0.6610 & 0.6565”, it made a high of 0.6799, thus achieving both our upside targets.

On the weekly charts, the Kiwi dollar has ended in a small bullish candlestick formation signifying buying interest in the pair. On the daily charts, the pair is trading above the 20-day SMA indicating the trend to be positive, albeit the currency is near its previous high of 0.6790 above which it was unable to close, thus experiencing higher level rejection. Further this also forms a potential double top indicating overhead resistance. In the coming week we could see the pair trading range bound in the 0.6800-6640 zone with a likely possibility of a rebound from the support zone.

| NZDUSD | |
|-------------------|--------|
| Closing price | 0.6759 |
| Prev. week close | 0.6666 |
| Weekly change (%) | 1.40% |
| RSI (Daily) | 62.29 |
| 20-day SMA | 0.6687 |
| 50-day SMA | 0.6636 |
| 100-day SMA | 0.6478 |

| Pivot Table | |
|-------------|--------|
| R3 | 0.6965 |
| R2 | 0.6882 |
| R1 | 0.6820 |
| Pivot point | 0.6737 |
| S1 | 0.6675 |
| S2 | 0.6592 |
| S3 | 0.6530 |



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week lower by 0.96%. 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 6.8100 & 6.7900", the pair made a low of 6.7510, thus moved lower to achieve both of our downside targets.

On the weekly charts, the pair continues to trade in a lower top lower bottom formation signifying the trend to be bearish in the medium term. Momentum indicators in sell mode corroborate our observation. On the daily charts, USDCNY is trading below the short term moving averages signifying bearish trend and weakness for the pair. In the coming week, we could see the pair declining further towards 6.7400 and 6.7200 while resistance is seen at 6.7900 and 6.8100.

| USDCNY | |
|-------------------|--------|
| Closing price | 6.7691 |
| Prev. week close | 6.8344 |
| Weekly change (%) | -0.96% |
| RSI (Daily) | 25.03 |
| 20-day SMA | 6.8372 |
| 50-day SMA | 6.9171 |
| 100-day SMA | 7.0008 |

| Pivot Table | |
|-------------|--------|
| R3 | 6.8987 |
| R2 | 6.8656 |
| R1 | 6.8174 |
| Pivot point | 6.7843 |
| S1 | 6.7361 |
| S2 | 6.7030 |
| S3 | 6.6548 |



Major events that lead to price movement in the previous week

RBA monetary policy minutes

According to the Reserve Bank of Australia (RBA), the economy has experienced its worst single quarter contraction in the history of quarterly national accounts. Household expenses contracted significantly in the months of April and June. Since then, consumption has started recovering, because of stimulus measures taken by the Australian government, to boost household income, consumption, and business cash flows. During this period, territory governments have played important roles in complementing these income transfers, mainly by increasing direct spending on goods and services, and job creation.

China industrial production

China industrial production grew by 5.6% on a YOY basis, as the economy is showing strong signs of a recovery from COVID-19. Retail sales grew by 0.5% for the first time in 2020. Manufacturing and mining activity grew by 5.6% on a YOY basis, up 4.8% from July, 2020. Further China's unemployment rate is at 5.6%, for the month of August, against 5.7% in July.

U.K unemployment

The United Kingdom (UK) labour market has taken its worst hit since 2018, with an increase of unemployment by 4.4% on a MOM basis. The number of jobless people claiming benefits has risen to 2.7 million, an increase of 121%, since March. Most economists are expecting that the Bank of England will raise monetary stimulus later this year, due to the highest level of uncertainties faced by the economy.

U.S industrial production

US industrial production grew by 0.4%, against the expectation of 1% in August. Manufacturing output rose by 1%, but the gains for manufacturing industries have slowed down considerably since June. Capacity utilization increased by 0.3%, to 71.4%.

U.S retail sales

U.S retail sales increased by 0.6% in August, against the expectations of 1%, as extended unemployment benefits were cut for millions of Americans. Core retail sales, which indicate the consumer spending component on Gross Domestic Product (GDP), fell by 0.1%.

U.S Federal Reserve Meeting

The Fed has kept the interest rate at 0.25%, against the expectations of 0.25%. In order to support the U.S. economic recovery out of the coronavirus recession, the Fed is planning to keep the interest rates near zero till 2023. Further, Fed Chairman, Mr. Jerome Powell has said that the 'New normal' interest rates will help the economy meet both employment, and inflation objectives, even in good times.

Australian employment

The number of people employed during the month of August, has increased by 111,000, against the expectations of a fall by 40,000. The jobless rate stood at 6.8%, against the forecast of 7.7%.

■ U.S unemployment claims

U.S weekly unemployment claims stood at 8, 60,000, against the expectations of 875,000. These numbers signify that the economy is slowly recovering from the pandemic.

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