

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the preceding week, ended higher by 1.70%. In the previous week we had mentioned, “In the coming week index in likely to decline towards 92.60 & 92.30, while it could face resistance at 93.25 & 93.60”, it moved against our expectations and negated our view.

On the weekly charts, dollar index has ended in a long bullish candlestick formation signifying strong buying to have happened in the past week. It is the biggest bullish candle since April-2020 indicating the significant trend change for the index; it is approaching the 20-week moving average. On the daily charts, the index is trading on the Bollinger band signifying the trend to be bullish and strong upside momentum for the index. In the coming week it is likely to rise towards 95.00 and 95.50 while it sustains above 94.25, support is seen at 94.25 and 93.75.

Dollar index	
Closing price	94.58
Prev. week close	93.00
Weekly change (%)	1.70%
RSI (Daily)	67.52
20-day SMA	93.26
50-day SMA	93.37
100-day SMA	95.54

Pivot Table	
R3	97.29
R2	96.02
R1	95.30
Pivot point	94.02
S1	93.30
S2	92.03
S3	91.31



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended lower by 1.77%. In the previous report we had mentioned, “In the coming week EURUSD is likely to trade range bound in the 1.1760-1.1900 zone”, it made a low of 1.1612, thus declining sharply and breaking the range on the downside.

On the weekly charts, the pair has ended in a long bearish candlestick formation suggesting the trend to be bearish for the pair; it has closed below the 27th July low and is approaching the 20-week moving average. On the daily charts, the pair has broken the Bollinger band on the downside suggesting bearish momentum for EURUSD; RSI in sell mode supports the view. In the coming week we can expect the currency pair to decline towards 1.1580 and 1.1540 while it could face resistance near 1.1675 and 1.1725.

EURUSD	
Closing price	1.1631
Prev. week close	1.1840
Weekly change (%)	-1.77%
RSI (Daily)	31.25
20-day SMA	1.1806
50-day SMA	1.1786
100-day SMA	1.1480

Pivot Table	
R3	1.2058
R2	1.1965
R1	1.1798
Pivot point	1.1705
S1	1.1538
S2	1.1445
S3	1.1278



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended lower by 1.32%. In the previous week, we had mentioned, “the currency pair is likely to decline further towards 1.2850 and 1.2800, while resistance could be seen near 1.3000 and 1.3050”, it made a low of 1.2676, thus achieving both our downside targets.

On the weekly charts, the pair closed in a small bearish candlestick formation as compared to EURUSD, indicating that the pound has outperformed the EUR. Further the currency stands at the support of the 20-moving average on the weekly charts suggesting support just below current levels. On the daily charts, the pair has closed in three consecutive doji formations signifying the down trend is losing steam. It is likely that a rebound could be witnessed in the forthcoming week toward 1.2795 and 1.2840, while support is seen near 1.2685 and 1.2650.

GBPUSD	
Closing price	1.2746
Prev. week close	1.2917
Weekly change (%)	-1.32%
RSI (Daily)	34.89
20-day SMA	1.2989
50-day SMA	1.3018
100-day SMA	1.2733

Pivot Table	
R3	1.3208
R2	1.3087
R1	1.2917
Pivot point	1.2796
S1	1.2626
S2	1.2505
S3	1.2335



USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week higher by 0.97%. In the previous report we had mentioned, “We could see USDJPY pair breaking down and we could witness an established down trend”, it moved against our expectations and negated our view.

On the weekly charts, the pair has made a “piercing formation” suggesting strong buying at lower levels. The trend which was looking bearish for the pair now seems to be stalling and it would be prudent to wait and watch further course of action by the pair. On the daily charts the pair stands at the resistance of the 20-day SMA suggesting overhead resistance while weekly chart indicates strong demand at lower levels. It looks likely that the pair could trade sideways in the 106.20-104.70 range.

USDJPY	
Closing price	105.58
Prev. week close	104.57
Weekly change (%)	0.97%
RSI (Daily)	50.57
20-day SMA	105.63
50-day SMA	105.88
100-day SMA	106.68

Pivot Table	
R3	107.89
R2	106.79
R1	106.19
Pivot point	105.09
S1	104.49
S2	103.39
S3	102.79



USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week higher by 1.38%. In the previous report we had mentioned, “USDCAD could decline further towards 1.3145 and 1.3100 as it resumes its downtrend while resistance could be seen around 1.3245 and 1.3300.”, it made a high of 1.3420, thus negating our view.

On the weekly charts, the currency pair ended in a long bullish candlestick formation with a slight upper shadow, Canadian dollar too rose sharply just like all other pairs appreciated against the dollar, albeit fell short of the 20-week SMA. On the daily chart, the pair is trading above the 20-day SMA suggesting the trend to be positive, but two consecutive dojis on Thursday and Friday suggest indecision and pause before further direction. In the coming week we can expect the pair to trade in the 1.3450-1.3300 range.

USDCAD	
Closing price	1.3386
Prev. week close	1.3204
Weekly change (%)	1.38%
RSI (Daily)	66.32
20-day SMA	1.3193
50-day SMA	1.3256
100-day SMA	1.3464

Pivot Table	
R3	1.3726
R2	1.3572
R1	1.3479
Pivot point	1.3325
S1	1.3232
S2	1.3078
S3	1.2985



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended lower by 3.54%. In the previous report we had mentioned, “In the coming week we can expect the pair to trade sideways in the 0.7350-0.7250 range. “, it made a low of 0.7006, thus breaking the mentioned range on the downside and negating our view.

On the weekly charts, the currency pair has ended in a long bearish candlestick formation suggesting heavy selling in the previous week, AUDUSD is very close to the 20-week SMA; rather the closest as compared to other currency pairs, the fall has been very sharp for the Aussie accentuated by a steep decline in the Gold price as well. On the daily charts, the pair is trading below the 20-day SMA suggesting the trend to be bearish. In the coming week we can expect the pair to decline further towards 0.6985 and 0.6960, while resistance is seen at 0.7060 and 0.7100.

AUDUSD	
Closing price	0.7031
Prev. week close	0.7289
Weekly change (%)	-3.54%
RSI (Daily)	26.80
20-day SMA	0.7250
50-day SMA	0.7203
100-day SMA	0.7007

Pivot Table	
R3	0.7553
R2	0.7438
R1	0.7235
Pivot point	0.7120
S1	0.6917
S2	0.6802
S3	0.6599



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the previous week lower by 3.15%. In the prior report we had mentioned, “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”, it made a low of 0.6512, thus breaking the range on the downside.

On the weekly charts, the pair declined sharply to end in a bearish candlestick formation signifying the trend to be strongly bearish for the pair. It retreated from the 0.6750-0.6800 resistance zone signifying selling at higher levels, the Kiwi dollar is approaching the 20-week SMA and is very close to it just like the Aussie dollar. On the daily charts, it ended in doji candlestick formation on Thursday and Friday indicating indecision in the near term. In the coming week we can expect the pair to rebound towards 0.6590 and 0.6640, while support is seen at 0.6510 and 0.6470.

NZDUSD	
Closing price	0.6546
Prev. week close	0.6759
Weekly change (%)	-3.15%
RSI (Daily)	35.40
20-day SMA	0.6681
50-day SMA	0.6640
100-day SMA	0.6504

Pivot Table	
R3	0.6978
R2	0.6878
R1	0.6712
Pivot point	0.6612
S1	0.6446
S2	0.6346
S3	0.6180



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week higher by 0.81%. In the preceding report we had mentioned, "We could see the pair declining further towards 6.7400 and 6.7200 while resistance is seen at 6.7900 and 6.8100", the pair made a high of 6.8337, thus moving contrary to our expectations and negating our view.

The pair ended in a piercing bullish candlestick formation suggesting the trend to be positive for the pair, the RSI is also rising supporting our observation. On the daily charts, the pair is trading near the 20-day SMA and has ended near the same level for two consecutive days signifying limited upside potential for USDCNY. In the coming week we can expect the pair to decline towards 6.8000 and 6.7800 while it could face resistance near 6.8400 and 6.8600.

USDCNY	
Closing price	6.8238
Prev. week close	6.7691
Weekly change (%)	0.81%
RSI (Daily)	46.10
20-day SMA	6.8156
50-day SMA	6.8985
100-day SMA	6.9872

Pivot Table	
R3	6.9289
R2	6.8813
R1	6.8525
Pivot point	6.8049
S1	6.7761
S2	6.7285
S3	6.6997



Major events that lead to price movement in the previous week**❑ Christine Lagarde's speech**

European Central Bank (ECB) president Christine Lagarde, said that the Eurozone government needs to keep spending heavily, to help the economy come out of a recession, complementing a super easy policy. She further said as follows: - "Continued expansionary fiscal policies are vital to avoid excessive job shedding, and support household incomes, until the economic recovery is more robust."

❑ U.S. Home sales

U.S existing home sales have continued to increase since the last three consecutive months. It rose to 6 mn, against the forecast of 6.05 mn, up 10.5% YOY, which was the highest since December, 2006.

❑ RBNZ interest rate unchanged

In order to support the economy, the Reserve Bank of New Zealand (RBNZ) kept the interest rate unchanged at 0.25%, against the forecast of 0.25%. RBNZ kept the interest rate unchanged, in order to restrict the rise of unemployment, and an increase in firm closure.

❑ French Purchasing Manufacturing Index of services

The PMI Index stood at 47.5, against the forecast of 52.2. It has registered the first contraction in the services industry, following three consecutive months of expansion. New orders have dropped, and export sales have declined for the seventh month in a row. Service providers have reduced their staff, as input costs have increased, while output charges have gone down sharply.

❑ German Purchasing Manufacturing Index

The German Manufacturing Index stood at 56.6, against the forecast of 52.0. Producers have ramped up their production, in line with increasing inflows from New York, which have increased after a long period of time, and service providers have recorded a growth in their new business.

❑ U.S Purchasing Manufacturing Index

U.S PMI stood at 54.4 in the month of September, slightly down from the previous month. Manufacturers and service providers have registered a tremendous increase in output, as production has increased, and demand from foreign clients has also increased.

❑ SNB Monetary Policy rates unchanged

The Swiss National Bank (SNB) has kept the SNB policy rate, and interest on sight deposits at -0.75%, as the pandemic continues to put pressure on the economic development of the economy. The SNB has continued to supply a liberal amount of liquidity under the SNB COVID-19 refinancing policy (CRF), to ensure that there is a supply of liquidity in the economy. The forecast for the current year's interest rate still remains negative.

❑ U.S unemployment claims

U.S jobless claims stood at 8, 70,000 against the forecast of 8, 45,000, which is an increase of 4,000 since the last week.

 **U.S durable goods orders**

U.S durable goods orders rose by 0.4%, against the market expectations of 1.5%.

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