

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index, in the preceding week, ended in a bearish candlestick formation on the weekly chart and closed below the previous weeks low, it ended lower by 0.97% for the week. In the preceding week we had mentioned, “One should stay away from going long the dollar yet. In the coming week we can see the index trading in the 94-92.50 range”, the index registered a high of 93.36 and a low of 92.18.

On the weekly charts, index has ended in bearish candlestick formation signifying selling pressure; the three consecutive dojis that the index made before this week gave a signal that the downtrend may be stalling. However with the weekly bearish candle it is likely to continue its bearish trend. On the daily charts, the index faced resistance at the 20-day SMA signifying resistance at higher levels. RSI in sell mode corroborates our bearish view. In the coming week index is likely to decline further towards 92.00 & 91.25 in the coming week, while it could face resistance at 92.80 & 93.30.

Dollar index	
Closing price	92.30
Prev. week close	93.20
Weekly change (%)	-0.97%
RSI (Daily)	34.48
20-day SMA	93.07
50-day SMA	94.81
100-day SMA	96.83

Pivot Table	
R3	94.21
R2	93.79
R1	93.04
Pivot point	92.62
S1	91.88
S2	91.46
S3	90.71



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended in a bullish candlestick formation indicating continuation of uptrend, the pair ended the week higher by 0.90%. In the previous report we had mentioned “We can expect the pair to test 1.1865 & 1.1910 on the upside, while support is seen near 1.1750 & 1.1705”, it made a high of 1.1920, thus achieving both of our upside targets .

On the daily charts, the Euro has closed in a strong bullish candlestick formation on Friday after taking support at the 20-day SMA. Momentum indicators affirm our optimistic view on the pair; we can expect it to rise further in the coming sessions. It is likely that the pair will rise towards 1.1950 & 1.2010 on the upside, while support is seen near 1.1825 & 1.1775.

EURUSD	
Closing price	1.1903
Prev. week close	1.1797
Weekly change (%)	0.90%
RSI (Daily)	63.64
20-day SMA	1.1824
50-day SMA	1.1582
100-day SMA	1.1292

Pivot Table	
R3	1.2118
R2	1.2019
R1	1.1961
Pivot point	1.1862
S1	1.1804
S2	1.1705
S3	1.1647



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD ended the week higher by 2.01%, it ended in a strong bullish candlestick formation on the weekly charts. In the previous week we had mentioned “The currency pair is likely to rise towards 1.3155 & 1.3205 where it could face resistance while support is seen near 1.3030 & 1.2970”, it made a high near 1.3356 thus surpassing both of our mentioned levels on the upside.

The Pound, on the daily charts is trading in a higher top higher bottom formation signifying the trend to be bullish, further Pound looks to be stronger than Euro & is likely to outperform its peers in the near term. Cable has cleared its 1.3200-50 resistance zone on a closing basis paving way for a further rise. The currency pair is likely to rise towards 1.3425 & 1.3500 while support is seen near 1.3230 & 1.3150.

GBPUSD	
Closing price	1.3353
Prev. week close	1.3090
Weekly change (%)	2.01%
RSI (Daily)	69.09
20-day SMA	1.3124
50-day SMA	1.2822
100-day SMA	1.2624

Pivot Table	
R3	1.3757
R2	1.3556
R1	1.3455
Pivot point	1.3254
S1	1.3153
S2	1.2952
S3	1.2851



USDJPY

Time Frame: Daily & 4-hour

The USDJPY ended the week lower by 0.41%, it closed in a long bearish candlestick formation below the previous weeks low on the weekly charts. In the previous report we had mentioned, “In the coming week we could see USDJPY rising towards 106.30 & 106.70 while support is seen at 105.40 & 104.85”, it made a high of 106.96 thus achieving and exceeding both of our upside targets.

On the daily charts the currency pair ended in a long bearish candlestick formation on Friday suggesting selling pressure for the pair. USDJPY faced strong resistance near the downward sloping 20-week SMA from where it retreated and closed at the low point of the week. These are ominous signs for the currency pair and the downtrend is likely to resume in the coming week. We could see USDJPY declining towards 104.60 & 104.00 while resistance is seen at 106.00 & 107.00.

USDJPY	
Closing price	105.37
Prev. week close	105.80
Weekly change (%)	-0.41%
RSI (Daily)	42.35
20-day SMA	106.05
50-day SMA	106.52
100-day SMA	106.99

Pivot Table	
R3	108.23
R2	107.59
R1	106.48
Pivot point	105.84
S1	104.73
S2	104.09
S3	102.98



USDCAD

Time Frame: Daily & 4-hour

The USDCAD ended the preceding week lower by 0.59%, it ended in a bearish candlestick formation below the previous weeks low. In the previous report we had mentioned “USDCAD could decline further towards 1.3120 & 1.3070 levels, while resistance is seen near 1.3250 & 1.3285”, it made a low of 1.3045, thus achieving both of our downside targets.

On the daily charts, the currency is trading in a lower top lower bottom formation indicating the trend to bearish in the near and the medium term, further it is trading below the 20-day SMA and has not closed above the 20-day SMA since 14th of July. Our view remains bearish and we expect the established downtrend to continue in the near term. USDCAD could decline further towards 1.3035 & 1.2985 levels, while resistance is seen near 1.3150 & 1.3245.

USDCAD	
Closing price	1.3099
Prev. week close	1.3177
Weekly change (%)	-0.59%
RSI (Daily)	31.32
20-day SMA	1.3239
50-day SMA	1.3412
100-day SMA	1.3634

Pivot Table	
R3	1.3402
R2	1.3320
R1	1.3210
Pivot point	1.3128
S1	1.3018
S2	1.2936
S3	1.2826



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar for the week ended higher by 2.85%, it made a strong bullish candlestick formation for the week and closed above the previous week's high. In the previous report we had mentioned, "The pair could trade in the 0.7090-0.7280 range in coming days", it made a high of 0.7366 breaking out of our mentioned range and re-establishing the uptrend.

The pair on the daily charts is trading in a higher high higher low formation indicating the trend to be positive in the medium term. Positive trend of the 20-day SMA supports our view on the currency pair. The pair could rise further towards 0.7420-0.7500 while support is seen at 0.7250 & 0.7180 in coming days.

AUDUSD	
Closing price	0.7365
Prev. week close	0.7161
Weekly change (%)	2.85%
RSI (Daily)	73.01
20-day SMA	0.7193
50-day SMA	0.7078
100-day SMA	0.6839

Pivot Table	
R3	0.7654
R2	0.7510
R1	0.7438
Pivot point	0.7294
S1	0.7222
S2	0.7078
S3	0.7006



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the week higher by 3.09%, it closed in a bullish candlestick formation above the previous week's high. In the previous report we had mentioned, "A rebound towards 0.6600 & 0.6660 could be witnessed while support is seen near 0.6515 & 0.6465", the pair made a high of 0.6744 thus exceeding both of our upside targets.

On the daily charts, the pair closed in bullish candlestick formation for three consecutive days signifying strong uptrend for the pair. Positive slope of the short term moving averages corroborate our view on the Kiwi dollar. A rise towards 0.6790 & 0.6855 is likely to be witnessed while support is seen near 0.6690 & 0.6630

NZDUSD	
Closing price	0.6743
Prev. week close	0.6541
Weekly change (%)	3.09%
RSI (Daily)	69.80
20-day SMA	0.6594
50-day SMA	0.6571
100-day SMA	0.6377

Pivot Table	
R3	0.7049
R2	0.6896
R1	0.6820
Pivot point	0.6667
S1	0.6591
S2	0.6438
S3	0.6362



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the week lower by 0.78%; it closed in a long bearish candlestick formation on the weekly charts. In the preceding report we had mentioned, "The view on the pair is ambiguous. In the coming week we expect the pair to trade in the 6.9500-6.8800 range", the pair negated our view and made a low near 6.8607.

On the daily charts, the pair is trading in a lower top lower bottom formation signifying the trend to be bearish. Further it has not closed above the 20-day SMA since 30th July, indicating established downtrend. In the coming week we expect the pair to decline towards 6.8400-6.8200 while it could face resistance at 6.8900 & 6.9200.

USDCNY	
Closing price	6.8654
Prev. week close	6.9194
Weekly change (%)	-0.78%
RSI (Daily)	24.57
20-day SMA	6.9321
50-day SMA	6.9867
100-day SMA	7.0382

Pivot Table	
R3	6.9639
R2	6.9423
R1	6.9039
Pivot point	6.8823
S1	6.8439
S2	6.8223
S3	6.7839



Events that lead to price movement in the previous week

US and China reaffirm commitment to Phase 1 trade deal over phone call

Top US and Chinese trade officials reaffirmed their commitment to a Phase 1 trade deal, which has seen China lagging on its obligations to buy American goods, giving a boost to financial markets. The pledge was made in a telephone call between US Trade Representative Robert Lighthizer, US Treasury Secretary Steven Mnuchin, and Chinese Vice Premier Liu He - their first formal dialogue since early May - amid concerns that the deal could be on shaky ground, as U.S.-China ties weaken.

Fed can allow inflation to run above its 2% target for some time

Federal Reserve Chairman, Jerome Powell, in his remarks delivered on Thursday for the annual symposium traditionally held in Jackson Hole, outlined the revision to the central bank's policy framework. Powell said on Thursday that the central bank would adopt an average inflation target, meaning rates are likely to stay low, even if inflation rises a bit in the future. The Fed Chairperson has said that it can allow inflation to run above its 2% target for some time.

US second-quarter GDP plunged by worst-ever 31.7%

A second reading of the US economy in the second quarter reflected the biggest quarterly plunge in activity on record, though the Covid-induced plummet wasn't as bad as initially estimated. Gross Domestic Product (GDP) from April to June, tanked 31.7%, against a market forecast of a 32.9% drop, on an annualized basis. That was revised down from the 32.9% initial estimate of the damage, the pandemic-fuelled lockdowns had on the economy in the second quarter.

US labour Market recovery is slowing

The number of Americans filing new claims for unemployment benefits hovered around the 1 million last week, suggesting that the labour market recovery was stalling due to the COVID-19 pandemic. Initial claims for state unemployment benefits fell 98,000, to a seasonally adjusted 1.006 million, for the week ended August 22, the Labor Department said. Economists polled by Reuters had forecasted 1.0 million applications in the latest week.

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