

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index, in the preceding week, ended in a “Pin bar” (doji) candlestick formation, it ended lower by only 0.07% for the week. In the preceding week we had mentioned “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”. The index made a low of 92.52 (achieving both of our targets) while on the rebound it faced resistance at 93.99 (which was the high for the week, also just 1 pip away from our mentioned resistance level).

On the daily charts, the index has rebounded sharply but status quo of bearish trend remains in place. It bounced from its previous support level near 92.50, thus making a potential double bottom, thus opening window for a short term rebound in the index, such rebound is likely to be sold into. On the 4-hour charts, it has closed above the 20 period moving average, but currently it is at the resistance of the upper Bollinger band. In the coming week we can expect the index to trade in the 94.30-92.50 range, a break below 92.50 can result in move towards 92.20 & 91.90. Rise is likely to face resistance rather than dips finding buyers.

Dollar index	
Closing price	93.39
Prev. week close	93.46
Weekly change (%)	-0.07%
RSI (Daily)	33.84
20-day SMA	94.45
50-day SMA	96.00
100-day SMA	97.89

Pivot Table	
R3	95.55
R2	94.77
R1	94.08
Pivot point	93.30
S1	92.61
S2	91.83
S3	91.14



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week, ended in doji candlestick formation as it gave up its gains on Friday; it ended the week marginally higher by 0.08%. In the previous report we had mentioned “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”, it made a high of 1.1916 thus achieving our first target and missing the second by 4 pips.

On the daily charts, medium term trend remains positive which is confirmed by RSI being in the bullish zone, positive slope of 20-day SMA confirms the above view. On the four hour charts, the currency pair currently stands near lower Bollinger band indicating a rebound could be experienced. We can expect the pair to trade in the 1.1700-1.1920 range for the coming week, dips are more likely to find buyer than a rise finding sellers.

EURUSD	
Closing price	1.1787
Prev. week close	1.1778
Weekly change (%)	0.08%
RSI (Daily)	64.58
20-day SMA	1.1637
50-day SMA	1.1413
100-day SMA	1.1155

Pivot Table	
R3	1.2123
R2	1.2020
R1	1.1903
Pivot point	1.1800
S1	1.1683
S2	1.1580
S3	1.1463



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD ended the week lower by 0.25% experiencing some profit booking and ending in a doji candlestick formation. In the previous week we had mentioned “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”, it made a high near 1.3185 while low was registered near 1.2981.

The Pound, on the daily charts, is trading above its 20-day SMA however ended in a bearish candlestick formation on Friday suggesting some correction could be witnessed, we expect buying interest in cable on any meaningful dip. On the four hour chart, the pair is currently near the support of lower Bollinger band however it has closed below the 20 period moving average. The currency pair is likely to find support on a dip towards 1.2950 & 1.2900 while it could face resistance near 1.3100 & 1.3200.

GBPUSD	
Closing price	1.3052
Prev. week close	1.3085
Weekly change (%)	-0.25%
RSI (Daily)	68.67
20-day SMA	1.2846
50-day SMA	1.2656
100-day SMA	1.2489

Pivot Table	
R3	1.3369
R2	1.3277
R1	1.3165
Pivot point	1.3073
S1	1.2961
S2	1.2869
S3	1.2757



USDJPY

Time Frame: Daily & 4-hour

The USDJPY ended the week higher by 0.09% as it ended in a doji candlestick formation on the weekly charts; this is the second consecutive doji candlestick confirming our previously mentioned view of the down trend coming to a halt. In the previous week we had mentioned “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”, it made a high of 106.47 missing our first target by 3 pips.

On the daily charts, the significant low of 31st July has been protected indicating optimism for the currency pair. It faced resistance near the 20-day SMA and a break above it could propel the pair higher. RSI has also breached a downward sloping trend line signifying the pair could rise in the near term. On the four hour charts, the pair is trading above 20 period moving average indicating the near term rise is likely to play out. 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 105.25 & 104.50 levels.

USDJPY	
Closing price	105.92
Prev. week close	105.83
Weekly change (%)	0.09%
RSI (Daily)	45.87
20-day SMA	106.23
50-day SMA	107.02
100-day SMA	107.41

Pivot Table	
R3	107.66
R2	107.07
R1	106.49
Pivot point	105.90
S1	105.32
S2	104.73
S3	104.15



USDCAD

Time Frame: Daily & 4-hour

The USDCAD ended in a long legged doji near the upward sloping trend line on the weekly charts indicating buying interest near support zone, for the week it ended lower by 0.21%. In the previous week we had mentioned “the USDCAD could rebound in the coming sessions towards 1.3475 & 1.3510 levels, while it sustains above 1.3330 levels”, it made a low near 1.3233 thus breaking below the mentioned support of 1.3330. Canadian dollar rebounded from the support zone of 1.3350-1330 which we expect to hold.

On the daily charts the pair has ended in a bullish candlestick formation and once it manages to close above the downward sloping trend line and the 20-day SMA we can expect the pair to rise further in the coming sessions. On the four hour charts as well it stands at the resistance of the downward sloping trend line and the resistance of the upper Bollinger band signifying it could rise further only after some consolidation and a subsequent breakout. USDCAD could rebound in the coming sessions towards 1.3425 & 1.3500 levels, while it sustains above 1.3220 levels.

USDCAD	
Closing price	1.3384
Prev. week close	1.3412
Weekly change (%)	-0.21%
RSI (Daily)	44.94
20-day SMA	1.3435
50-day SMA	1.3507
100-day SMA	1.3772

Pivot Table	
R3	1.3696
R2	1.3573
R1	1.3479
Pivot point	1.3356
S1	1.3262
S2	1.3139
S3	1.3045



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar ended on a positive note although it gave up its gains on Friday to close about a percentage point lower from its weekly high, for the week it ended higher by 0.20%. In the previous week we had mentioned “The pair is likely to rise further towards 0.7200 & 0.7225 levels, while support is seen near 0.7095 & 0.7050 levels”, it made a high of 0.7243 achieving both of our upside targets.

The pair on the daily charts is trading comfortably above its support level and above the 20-day SMA indicating the trend to be positive. This rise is also being supported by RSI which continues to trade in the bullish terrain signifying uptrend for the pair. On the four hour charts, the pair is currently at the support of the lower Bollinger band indicating rebound. The pair is likely to rise further towards 0.7210 & 0.7235 levels, while support is seen near 0.7110 & 0.7050 levels.

AUDUSD	
Closing price	0.7157
Prev. week close	0.7143
Weekly change (%)	0.20%
RSI (Daily)	58.14
20-day SMA	0.7104
50-day SMA	0.699
100-day SMA	0.6675

Pivot Table	
R3	0.7408
R2	0.7326
R1	0.7241
Pivot point	0.7159
S1	0.7074
S2	0.6992
S3	0.6907



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the week lower by 0.36% as it faced resistance and experienced selling. The pair also managed to close below the previous week's low suggesting pair to be inherently weak. In the previous week we had mentioned "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". The pair was not able to close above 0.6750 and faced resistance near 0.6700 from where it retreated.

On the daily charts, it breached the 20-day SMA on a closing basis and ended in a bearish candlestick formation, in the process it has also breached an upward sloping trend line indicating the near term trend to be bearish for the pair. On the four hour chart, the pair has closed below the short term moving averages signifying near term weakness for the pair. A move towards 0.6525 & 0.6475 is possible if it trades below 0.6575, while resistance is seen near 0.6670 & 0.6710.

NZDUSD	
Closing price	0.6605
Prev. week close	0.6629
Weekly change (%)	-0.36%
RSI (Daily)	50.22
20-day SMA	0.6621
50-day SMA	0.6532
100-day SMA	0.6281

Pivot Table	
R3	0.6788
R2	0.6740
R1	0.6672
Pivot point	0.6624
S1	0.6556
S2	0.6508
S3	0.6440



USDCNY

Time Frame: Daily & 4-hour

The USDCNY ended the week lower by 0.10% as it rebounded from the lows it touched in mid-week and made a small doji candlestick on the weekly charts. In the previous week we had mentioned, "The pair could to rise further 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", our view got negated as it closed below 6.9600.

On the daily charts, USDCNY was able to stage an impressive recovery on Thursday & Friday as it closed the week almost flat. With the sharp recovery by the pair we are of the opinion that it could trade sideways in the near term in the 6.9300-7.000 as the downside now seems capped at 6.9300. On the four hour charts, the pair has closed above the 20 period moving average supporting our view on the pair.

USDCNY	
Closing price	6.968
Prev. week close	6.9752
Weekly change (%)	-0.10%
RSI (Daily)	40.49
20-day SMA	6.9879
50-day SMA	7.039
100-day SMA	7.0606

Pivot Table	
R3	7.0435
R2	7.0155
R1	6.9918
Pivot point	6.9638
S1	6.9401
S2	6.9121
S3	6.8884



Events that lead to price movement in the past week

- China Tensions escalated with President Donald trump's move to ban we chat and Tiktok**
 U.S. President Donald Trump has unveiled sweeping bans on U.S. transactions with the Chinese owners of messaging app, WeChat, and video-sharing app, TikTok. It will be escalating a high-stakes confrontation with China over the future of the global tech industry. Meanwhile, China has said on Friday, the companies comply with U.S. laws and regulations, and warned that the United States would have to "bear the consequences" of its action
- US Nonfarm payroll added 1.763 million jobs in July, and unemployment rate at 10.2%**
 US Nonfarm payroll (NFP) added 1.763 million jobs in July, against an expected 1.600 million jobs, and previous 4.791 million jobs, while the unemployment rate stood at 10.2%, against an expected 10.5%, and previous 11.1%. Two months of record-setting payroll growth slowed in July, but was still better than Wall Street estimates, even as a rise in coronavirus cases put a dampener on the struggling U.S. economy
- The bank of England (BOE) central bank's main lending rate was kept Unchanged**
 The Bank of England (BOE) central bank's main lending rate was kept at 0.1%, after it cut rates twice from 0.75%, since the beginning of the coronavirus pandemic. The Monetary Policy Committee opted against extending its bond buying program, having announced a £100 billion (\$131.4 billion) expansion in June, which took the total Asset Purchase Facility to £745 billion. The central bank warned that UK unemployment will spike at 2.5m by the end of the year, as firms cut jobs due to the shock of Covid-19. In its latest forecasts, the Bank predicts the jobless rate will almost double to 7.5%, and only fall slowly in 2021
- US market manufacturing PMI edges higher to 50.9 (Final) in July vs. expected print of 52**
 The IHS Market's Manufacturing PMI rose from 49.8 in June, to 50.9 (final) in July, and revealed a modest expansion in the manufacturing sector's economic activity. However, this reading came in worse than the previous estimate of 51.3, and missed the market expectations of 52
- China July export import data point to a more sustainable Recovery**
 China's economy appeared to be gathering steam in July, as exports rose the most in 2020, while some raw material imports hit record highs. According to customs data, exports in July increased 7.2% YoY, the fastest pace since December 2019, against expectations of a 0.2% drop, while the MoM rise was 0.5%
- US crude oil stocks decline by -7.4 million barrels in the week ended July 31: EIA**
 Crude oil stocks dropped by 7.4 million barrels against a market forecasted drop of 3 million barrels in the week ended July 31st, according to the weekly report published by the US Energy Information Administration (EIA)

Disclaimer:

This information has been produced by a third party, for general information purposes only, and is not indicative of future results. Abans Global takes no responsibility for its accuracy or completeness. Any opinions expressed do not reflect those of Abans Global. This information does not take into account your personal circumstances or objectives, and should therefore not be interpreted as financial, investment or other advice, or relied upon as such. You should seek independent advice before making investment decisions. Reproduction of this information, in whole or in part, is not permitted. Please note: If you are a Professional client, you are not eligible for negative balance protection and you could lose more than your initial deposit.