

### Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the previous week, ended lower by 0.35%, it made a high of 92.50 and low of 91.36. On the weekly charts the index made a long doji candlestick formation and is trading above the 20-week SMA suggesting the trend to be sideways in the near term. On the daily charts, it ended in a multiple bearish candlestick formations suggesting rejection from higher levels. Both the weekly and daily chart is giving contradictory signals suggesting indecision and hence the index could trade range bound with positive bias in the near term. In the medium term the index could face resistance at 92.20 from 92.60 while support is seen around 91.20 and 90.80.

Dollar index	
Closing price	91.66
Prev. week close	91.99
Weekly change (%)	-0.35%
RSI (Daily)	58.16
20-day SMA	90.99
50-day SMA	90.66
100-day SMA	91.19

Pivot Table	
R3	93.46
R2	92.98
R1	92.32
Pivot point	91.84
S1	91.18
S2	90.71
S3	90.05



### EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week ended higher by 0.32%, it made a high of 1.1989 and low of 1.1835. EUR/USD rebounded after hitting 1.1835 last week, but lost momentum after hitting 1.1990. Initial bias is neutral this week first. On the upside, above 1.1990 will target 55 day EMA (currently at 1.2055). Firm break there will indicate completion of correction from 1.2350 and bring retest of this high. On the downside, however, break of 1.1835 will extend the correction from 1.2350 to 38.2% retracement of 1.0636 to 1.2350 at 1.1695.

EURUSD	
Closing price	1.1953
Prev. week close	1.1915
Weekly change (%)	0.32%
RSI (Daily)	42.46
20-day SMA	1.2046
50-day SMA	1.2101
100-day SMA	1.2045

Pivot Table	
R3	1.2171
R2	1.2080
R1	1.2017
Pivot point	1.1926
S1	1.1863
S2	1.1772
S3	1.1709



### GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended higher by 0.60%, it made a high of 1.4004 and low of 1.3800. GBP/USD's correction from 1.4241 extended to as low as 1.3778 last week. Initial bias stays on the downside this week for 38.2% retracement of 1.2676 to 1.4241 at 1.3640. On the upside, break of 1.4015 minor resistance will argue that the correction has completed, and bring retest of 1.4241 high.

GBPUSD	
Closing price	1.3924
Prev. week close	1.3841
Weekly change (%)	0.60%
RSI (Daily)	52.68
20-day SMA	1.3953
50-day SMA	1.3787
100-day SMA	1.3549

Pivot Table	
R3	1.4224
R2	1.4115
R1	1.4019
Pivot point	1.3910
S1	1.3814
S2	1.3705
S3	1.3609



### USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week higher by 0.66%, it made a high of 109.23 and low of 108.28. USD/JPY edged higher to 109.25 last week but turned sideways since then. Initial bias remains neutral this week first. Consolidation should be relatively brief as long as 108.10 minor support holds. Break of 109.25 will resume the uptrend from 102.60 to long term channel resistance at 110.00 next. Break of 108.10 will bring deeper correction.

USDJPY	
Closing price	109.03
Prev. week close	108.31
Weekly change (%)	0.66%
RSI (Daily)	77.69
20-day SMA	106.87
50-day SMA	105.25
100-day SMA	104.68

Pivot Table	
R3	110.38
R2	109.80
R1	109.42
Pivot point	108.84
S1	108.46
S2	107.88
S3	107.50



### USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week lower by 1.45%, it made a high of 1.2700 and low of 1.2462. USD/CAD's late break of 1.2465 support suggests that down trend from 1.4668 is resuming. Initial bias is now on the downside this week for 61.8% projection of 1.3390 to 1.2590 from 1.2881 at 1.2386. Break will target 100% projection at 1.2080. On the upside, break of 1.2745 resistance is needed to indicate short term bottoming. Otherwise, outlook will remain bearish in case of recovery.

USDCAD	
Closing price	1.2475
Prev. week close	1.2659
Weekly change (%)	-1.45%
RSI (Daily)	32.13
20-day SMA	1.2629
50-day SMA	1.2691
100-day SMA	1.2828

Pivot Table	
R3	1.2867
R2	1.2784
R1	1.2629
Pivot point	1.2546
S1	1.2391
S2	1.2308
S3	1.2153



### AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended higher by 1.01%, it made a high of 0.7800 and low of 0.7621. AUD/USD rebounded strongly last week but failed to break through 0.7835 resistance. Initial bias remains neutral this week first. On the upside, break of 0.7835 will suggest that the correction from 0.8006 has completed. Intraday bias will be turned back to the upside for retesting this high. On the downside, below 0.7621 will target 0.7565 support. Firm break of 0.7565 will indicate that deeper correction is underway, back towards 0.7415 resistance turned support.

AUDUSD	
Closing price	0.7764
Prev. week close	0.7686
Weekly change (%)	1.01%
RSI (Daily)	51.13
20-day SMA	0.7787
50-day SMA	0.7740
100-day SMA	0.7563

Pivot Table	
R3	0.8015
R2	0.7907
R1	0.7836
Pivot point	0.7728
S1	0.7657
S2	0.7549
S3	0.7478



### NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the previous week higher by 0.13%, it made a high of 0.7240 and low of 0.7103. On the weekly charts, the currency pair has ended in a doji candlestick formation suggesting indecision among market participants, however this doji has occurred after a decline that has been witnessed in the previous couple of weeks. Further it stands near the 20-week SMA suggesting support at lower levels. In the near term we can expect the pair to rise towards 0.7235 and 0.7285 while support could be seen around 0.7150 and 0.7100.

NZDUSD	
Closing price	0.7176
Prev. week close	0.7167
Weekly change (%)	0.13%
RSI (Daily)	45.28
20-day SMA	0.7246
50-day SMA	0.7217
100-day SMA	0.7088

Pivot Table	
R3	0.7382
R2	0.7311
R1	0.7244
Pivot point	0.7173
S1	0.7106
S2	0.7035
S3	0.6968



### USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week higher by 0.18%, it made a high of 6.5439 and low of 6.4768. On the weekly chart, Yuan has ended in a long doji candlestick formation suggesting a pause in the current uptrend. On the daily charts, the currency declined and has found support at the 20-day SMA indicating buyers at lower levels. Contradictory indications from daily and weekly, point towards a sideways trend with positive bias in the near term. We may expect the pair to face resistance at 6.53 and 6.55, while support is seen at 6.48 and 6.45.

USDCNY	
Closing price	6.5085
Prev. week close	6.4971
Weekly change (%)	0.18%
RSI (Daily)	57.23
20-day SMA	6.4761
50-day SMA	6.4779
100-day SMA	6.5397

Pivot Table	
R3	6.6095
R2	6.5768
R1	6.5427
Pivot point	6.5100
S1	6.4759
S2	6.4432
S3	6.4091



## Major events that lead to price movement in the previous week

### **BOE Gov Bailey Speaks**

COVID-19 gave both demand and supply shock to economy and post Covid-19 situation would be different. Andrew Bailey clarified that it doesn't intend to tighten monetary policy until there's clear evidence the economy is absorbing excess capacity, and he further added that unemployment is likely to remain high for a year now. He says that there is a down side risk and policy makers are looking for measures to hold inflation at 2%.

### **RBA Gov Lowe Speaks**

RBA Lowe said that economy is doing better than expected and it will take 2024 to achieve its full employment as economy is seeing strong growth in since last 2-3 quarters. RBA Gov Lowe insisted that stimulus support will be given as and when necessary. RBA has kept the cash rate at 0.1% until the inflation target is achieved. Core inflation is currently at 1.25% and expected to be in 2-3% in next 2 years. He further said that he has the target to bring the economy under full employment on high priority.

### **U.S CPI m/m**

The prices of goods and services purchased by consumers stood at 0.4%, versus the expectation of 0.4%, an increase of 0.1% since the last month. Core CPI stood at 0.1%, versus the expectation of 0.2%, an increase of 0.1% since the last month.

### **BOC Rate Statement**

The BOC (Bank of Canada) has kept the overnight rate and deposit rate unchanged at 0.25%, with bank rate at 0.5%. Bank is currently maintaining its QE (quantitative easing) programme at \$4 billion per week until the considerable recovery is achieved. GDP (Gross domestic product) grew by 9.6% and CPI inflation is near the bottom of the 1-3 percent target band as economy is proving to be more resilient than anticipated to second wave of the virus.

### **Europe Monetary Policy Statement**

The European Central Bank (ECB) decided to leave the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.50%, respectively, as expected. The governing council is expected to continue net asset purchases under the pandemic emergency purchase programme (PEPP) with a total envelope of €1,850 billion until at least the end of March 2022 and the flexibility of purchases overtime across different asset classes and net asset purchase programme at monthly pace of €20 billion.

### **United States ISM manufacturing PMI rises**

ISM's Manufacturing Purchasing Manager's Index (PMI) climbed from 54.2 in July to 56 in August, as the economic activity in the United States manufacturing sector expanded at a stronger pace in August than it did in the previous month.

**■ Canada's employment change**

Canada's employment figures stood at 259.2k, against the expectations of 98.5k, which is a decline in employment by 212.8k, since the last month, from -43.5k. The unemployment rate stood at 8.2%, against the forecast of 9.2%, which is a change of 1.2%, from the previous month, the lowest rate since March 2020. Employment gains in February were concentrated in Quebec and Ontario.

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