

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the previous week, ended higher by 0.36%, it made a high of 90.88 and low of 90.08. The DXY extends the rejection from weekly highs around the 91.00 mark, losing ground for the second session in a row on Friday. The continuation of the downtrend is expected to meet the next support of relevance around the 90.00 zone and 89.20 ahead of the March 2018 near 88.95. Occasional bullish attempts in DXY are seen as corrective rebounds, as long as DXY trades below the 200-day SMA (94.03), the negative view is expected to continue.

In the medium term the index has been trading range bound in the 91.00-89.00 range suggesting medium term trend to be sideways inside the longer term bearish trend. Dollar index could decline towards 90.00 and 89.60 while resistance is seen at 90.90 and 91.25.

Dollar index	
Closing price	90.53
Prev. week close	90.21
Weekly change (%)	0.36%
RSI (Daily)	52.08
20-day SMA	90.24
50-day SMA	90.61
100-day SMA	91.96

Pivot Table	
R3	91.71
R2	91.30
R1	90.91
Pivot point	90.50
S1	90.12
S2	89.70
S3	89.32



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week ended lower by 0.29%, it made a high of 1.2183 and low of 1.2058. EUR/USD stays in range of 1.2050/2190 last week and outlook is unchanged. Initial bias remains neutral this week first. On the downside, firm break of 1.2050 will resume whole correction from 1.2350. Intraday bias will be turned back to the downside for 61.8% retracement of 1.1600 to 1.2350 at 1.1890. On the upside, though, break of 1.2190 resistance will turn bias back to the upside for retesting 1.2350.

A decline could find support at 1.2060 and 1.2000 next; this will remain the favoured case as long as 1.2000 support holds, while resistance is seen around 1.2200 and 1.2250.

EURUSD	
Closing price	1.2136
Prev. week close	1.2171
Weekly change (%)	-0.29%
RSI (Daily)	47.67
20-day SMA	1.2172
50-day SMA	1.2141
100-day SMA	1.1958

Pivot Table	
R3	1.2317
R2	1.2250
R1	1.2193
Pivot point	1.2126
S1	1.2069
S2	1.2002
S3	1.1945



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended higher by 0.16%, it made a high of 1.3758 and low of 1.3609. GBP/USD edged higher to 1.3760 last week but lost momentum quickly and turn sideway again. Initial bias remains neutral this week first. On the upside, break of 1.3760 will extend the whole up trend from 1.1410 to 61.8% projection of 1.1410 to 1.3480 from 1.2680 at 1.3955 next. On the downside, however, break of 1.3610 support will now suggest short term topping, on bearish divergence condition in 4 hour MACD. Intraday bias will be turned back to the downside for deeper pull back.

In the bigger picture, rise from 1.1411 medium term bottom is in progress. Further rally would be seen to 1.4382 resistance and above. On the downside, break of 1.2682 support is needed to indicate completion of the rise. Otherwise, outlook will stays cautiously bullish in case of pullback.

GBPUSD	
Closing price	1.3708
Prev. week close	1.3686
Weekly change (%)	0.16%
RSI (Daily)	57.14
20-day SMA	1.3643
50-day SMA	1.3520
100-day SMA	1.3260

Pivot Table	
R3	1.3924
R2	1.3841
R1	1.3775
Pivot point	1.3692
S1	1.3626
S2	1.3543
S3	1.3477



USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week higher by 0.87%, it made a high of 104.94 and low of 103.55. USD/JPY surged to as high as 104.95 last week, breaking both falling channel resistance and 55 day EMA decisively. The development argues that down trend from 111.70 has completed at 102.55, on bullish convergence condition in daily MACD. Initial bias remains on the upside this week for 38.2% retracement of 111.70 to 102.55 at 106.05. On the downside, break of 104.15 minor support will turn intraday bias neutral first.

USDJPY	
Closing price	104.68
Prev. week close	103.78
Weekly change (%)	0.87%
RSI (Daily)	65.47
20-day SMA	103.75
50-day SMA	103.82
100-day SMA	104.40

Pivot Table	
R3	106.61
R2	105.77
R1	105.23
Pivot point	104.39
S1	103.85
S2	103.01
S3	102.47



USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week higher by 0.35%, it made a high of 1.2881 and low of 1.2685. USD/CAD's strong rebound last week suggests that a short term bottom was formed at 1.2585, on bullish convergence condition in 4 hour MACD. Rebound from there is in favor to continue as long as 1.2685 minor support holds. Break of 1.2882 will target 1.2995 support turned resistance. However, break of 1.2685 minor support will argue that the rebound has completed and bring retest of 1.2590 low.

In the bigger picture, fall from 1.4665 is seen as the third leg of the corrective pattern from 1.4690 (2016 high). Further decline should be seen back to 1.2060 (2017 low). In any case, break of 1.3390 resistance is needed to indicate medium term bottoming. Otherwise, outlook will remain bearish in case of rebound.

USDCAD	
Closing price	1.2777
Prev. week close	1.2733
Weekly change (%)	0.35%
RSI (Daily)	52.55
20-day SMA	1.2721
50-day SMA	1.2798
100-day SMA	1.2997

Pivot Table	
R3	1.3072
R2	1.2976
R1	1.2877
Pivot point	1.2781
S1	1.2682
S2	1.2586
S3	1.2487



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended lower by 0.92%, it made a high of 0.7763 and low of 0.7591. AUD/USD gyrated lower last week and the development suggests that deeper correction is underway. Further fall is expected as long as 0.7760 minor resistance holds, to 38.2% retracement of 0.6990 to 0.7820 at 0.7500. On the upside, above 0.7760 will bring retest of 0.7820 high.

In the bigger picture, whole down trend from 1.1080 (2001 high) should have completed at 0.5505 (2020 low) already. Rise from 0.5556 could either the start of a long term up trend, or a corrective rise. Reactions to 0.8137 key resistance will reveal which case it is. But in any case, medium term rally is expected to continue as long as 0.7415 resistance turned support holds.

AUDUSD	
Closing price	0.7644
Prev. week close	0.7715
Weekly change (%)	-0.92%
RSI (Daily)	45.13
20-day SMA	0.7724
50-day SMA	0.7593
100-day SMA	0.7386

Pivot Table	
R3	0.7913
R2	0.7839
R1	0.7741
Pivot point	0.7667
S1	0.7569
S2	0.7495
S3	0.7397



NZDUSD
Time Frame: Daily & 4-hour

The NZDUSD ended the previous week higher by 0.06%, it made a high of 0.7247 and low of 0.7105. Momentum continues to look bullish to push the currency pair further higher. The longer term structure remains bullish and near-term pullback would likely see some support at the important 0.7115-0.7060 region, but without a significant fundamental shift, a bearish dip would likely be short-lived as buying is expected to emerge on declines and the trend would remain bullish. In the near term we can expect the pair rise towards 0.7240 and 0.7290 while support could be seen around 0.7115 and 0.7060.

NZDUSD	
Closing price	0.7193
Prev. week close	0.7189
Weekly change (%)	0.06%
RSI (Daily)	52.70
20-day SMA	0.7195
50-day SMA	0.7125
100-day SMA	0.6909

Pivot Table	
R3	0.7401
R2	0.7324
R1	0.7259
Pivot point	0.7182
S1	0.7117
S2	0.7040
S3	0.6975



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week lower by 0.81%, it made a high of 6.4934 and low of 6.4207. Yuan is trading weak and continues to trade in a lower top lower bottom formation suggesting the trend to be bearish in the near term. Currently it is trading below the 20-day SMA suggesting resistance at higher levels, albeit a short covering rebound could be witnessed in the coming sessions. We may expect a bounce in the coming week which may face resistance near 6.47 and 6.49, while support is seen at 6.44 and 6.42.

USDCNY	
Closing price	6.4292
Prev. week close	6.4815
Weekly change (%)	-0.81%
RSI (Daily)	33.21
20-day SMA	6.4695
50-day SMA	6.5174
100-day SMA	6.6197

Pivot Table	
R3	6.5460
R2	6.5204
R1	6.4748
Pivot point	6.4492
S1	6.4036
S2	6.3780
S3	6.3324



Major events that lead to price movement in the previous week

U.S consumer confidence

The U.S. level of a composite index, based on surveyed household Consumer Confidence Index, stood at 89.3%, versus the anticipation of 88.9%, and has improved moderately by 2.2%, since the last month. Consumers are having positive sentiments on jobs and the economy, and the expected number of people who intend to buy a home in the next 6 months has improved.

Australia CPI

Australia CPI (Consumer Price Index), which measures household expenditure and inflation, has increased by 0.9% since the last quarter, versus the anticipation of 0.7%. The major increase in CPI was due to the price rise of tobacco by 10.9%. Trimmed CPI, which excludes the most volatile 30% of items, has increased by 0.1% since the last quarter, measuring at 0.4%, versus the expectation of 0.4%.

FOMC statement

The US Federal Reserve has pledged to keep supporting the economy until there is a full rebound, and will keep promoting its goals of maximum employment and price stability. The Fed left its key overnight interest rate near zero, and made no change to its monthly bond purchases. However, the Federal Reserve pledged again to keep supporting the economy, until there is a full rebound from the pandemic-triggered recession. The Fed statement says that "the pace of the recovery in economic activity and employment has moderated in recent months, with weakness concentrated in the sectors most adversely affected by the pandemic."

U.S. GDP

The U.S GDP (Gross Domestic Product) stood at 4% in the fourth quarter, versus the anticipation of 4.2%, which was the lowest since 1946, as COVID-19 has devastated and depressed consumer spending and investments, thereby pushing many Americans into poverty. All sectors, excluding the government and the housing market, contracted in the year 2020. Consumer spending, which accounts for more than two-thirds of the economy, plunged 3.9%, the worst since 1932.

U.S Unemployment claims

The number of individuals who filed for unemployment insurance since the last week has reduced by 67k, and stood at 847k, versus the estimate of 880k.

Germany's GDP

The GDP (Gross Domestic Product) of Germany increased by 0.1%, slightly more than the expected GDP. The German economy was recovering in the third quarter; however, the recovery process has slowed down, due to the new wave of COVID-19, which has hit the economy. This has affected household consumption, while exports of goods and gross fixed capital formation in construction have supported the economy.

Canada's GDP

Canada's GDP grew by 0.7% in the month of November, versus the estimate of 0.4%, following an increase of 0.4% in the month of November. This is the seventh consecutive monthly gain, after a steep fall in the months of March and April. Goods producing and service producing industries recorded a growth of 1.2% and 0.5% respectively, as 14 of the 20 industrial sectors posted gains in November.

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