

Dollar Index

Time Frame: Daily & 4-hour

Dollar Index in the previous week, ended higher by 0.52%, it made a high of 91.60 and low of 90.50. The weekly price chart below shows that the U.S. Dollar Index printed a small, weakly bullish up candlestick last week which is in the shape of a pin candlestick. The consolidation of the past few weeks suggests that the dollar may not be able to fall much further despite the long-term bearish trend - the pace of this trend has slowed over recent weeks.

In the medium term the index has rebounded sharply towards 91.60 from 90.30, though long term trend remains negative, in the short term it has rebounded and has slowed down the down trend. Dollar index in the coming week could find support at 90.50 and 90.00 while resistance is seen at 91.35 and 91.75.

Dollar index	
Closing price	91.00
Prev. week close	90.53
Weekly change (%)	0.52%
RSI (Daily)	55.64
20-day SMA	90.59
50-day SMA	90.50
100-day SMA	91.86

Pivot Table	
R3	92.67
R2	92.14
R1	91.57
Pivot point	91.04
S1	90.47
S2	89.94
S3	89.37



EURUSD

Time Frame: Daily & 4-hour

EURUSD in the preceding week ended lower by 0.74%, it made a high of 1.2136 and low of 1.2952. EUR/USD dropped to as low as 1.1950 last week and breached medium term channel. However, as it quickly formed a temporary low there and recovered, initial bias remains neutral this week first. On the upside, firm break of 1.2050 support turned resistance will suggest that the correction from 1.2350 has completed, and larger up trend isn't finished. Intraday bias will be turned back to the upside for 1.2190 resistance and then 1.2350 high. However, break of 1.1950 will bring deeper correction

EURUSD	
Closing price	1.2046
Prev. week close	1.2136
Weekly change (%)	-0.74%
RSI (Daily)	42.45
20-day SMA	1.2111
50-day SMA	1.2154
100-day SMA	1.1968

Pivot Table	
R3	1.2336
R2	1.2241
R1	1.2143
Pivot point	1.2048
S1	1.1950
S2	1.1855
S3	1.1757



GBPUSD

Time Frame: Daily & 4-hour

GBPUSD in the prior week ended higher by 0.20%, it made a high of 1.3757 and low of 1.3566. GBP/USD stayed in consolidation from 1.3760 last week and outlook is unchanged. Initial bias remains neutral this week first. On the upside, break of 1.3760 will extend the uptrend from 1.1410 to 61.8% projection of 1.1410 to 1.3480 from 1.2680 at 1.3955 next. On the downside, break of 1.3565 support will turn bias to the downside for deeper correction instead.

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 stay cautiously bullish in case of pullback.

GBPUSD	
Closing price	1.3735
Prev. week close	1.3708
Weekly change (%)	0.20%
RSI (Daily)	58.91
20-day SMA	1.3665
50-day SMA	1.3553
100-day SMA	1.3298

Pivot Table	
R3	1.3997
R2	1.3878
R1	1.3806
Pivot point	1.3687
S1	1.3615
S2	1.3496
S3	1.3424



USDJPY

Time Frame: Daily & 4-hour

USDJPY ended the preceding week higher by 0.68%, it made a high of 105.76 and low of 104.60. USD/JPY's rise accelerated to as high as 105.75 last week but formed a temporary top there. Initial bias is neutral this week for some consolidations first. Further rally is expected as long as 104.40 resistance turned support holds. On the upside, break of 105.75 will resume the rebound from 102.60, for 38.2% retracement of 111.70 to 102.60 at 106.05.

USDJPY	
Closing price	105.39
Prev. week close	104.68
Weekly change (%)	0.68%
RSI (Daily)	71.07
20-day SMA	104.21
50-day SMA	103.90
100-day SMA	104.41

Pivot Table	
R3	107.06
R2	106.42
R1	105.90
Pivot point	105.26
S1	104.74
S2	104.10
S3	103.58



USDCAD

Time Frame: Daily & 4-hour

USDCAD ended the preceding week lower by 0.16%, it made a high of 1.2869 and low of 1.2749. Intraday bias in USD/CAD remains neutral and some consolidations could be seen. Rebound from 1.2590 short term bottom is in favour to continue as long as 1.2685 minor support holds. Break of 1.2881 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. Further decline should be seen back to 1.2060. In any case, break of 1.3389 resistance is needed to indicate medium term bottoming. Otherwise, outlook will remain bearish in case of rebound.

USDCAD	
Closing price	1.2756
Prev. week close	1.2777
Weekly change (%)	-0.16%
RSI (Daily)	49.14
20-day SMA	1.2745
50-day SMA	1.2776
100-day SMA	1.2978

Pivot Table	
R3	1.2946
R2	1.2908
R1	1.2832
Pivot point	1.2794
S1	1.2718
S2	1.2680
S3	1.2604



AUDUSD

Time Frame: Daily & 4-hour

Australian Dollar in the preceding week ended higher by 0.44%, it made a high of 0.7678 and low of 0.7563. AUD/USD's correction from 0.7820 extended to 0.7565 last week, but recovered since then. Initial bias is neutral this week first. On the upside, break of 0.7700 minor resistance will argue that the correction has completed. Intraday bias will be turned back to the upside for retesting 0.7820 high. In case of another fall, downside should be contained by 38.2% retracement of 0.6990 to 0.7820 at 0.7500 to bring rebound.

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	0.7678
Prev. week close	0.7644
Weekly change (%)	0.44%
RSI (Daily)	51.67
20-day SMA	0.7693
50-day SMA	0.7620
100-day SMA	0.7402

Pivot Table	
R3	0.7832
R2	0.7755
R1	0.7717
Pivot point	0.7640
S1	0.7602
S2	0.7525
S3	0.7487



NZDUSD

Time Frame: Daily & 4-hour

The NZDUSD ended the previous week higher by 0.07%, it made a high of 0.7225 and low of 0.7135. Momentum continues to remain sideways for the currency pair. The longer term structure remains bullish however the pair has continued to trade in the 0.7130-0.7230 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 longer term trend remains bullish. In the near term we can expect the pair to face resistance near 0.7230 and 0.7290 while support could be seen around 0.7150 and 0.7100.

NZDUSD	
Closing price	0.7198
Prev. week close	0.7193
Weekly change (%)	0.07%
RSI (Daily)	52.92
20-day SMA	0.7179
50-day SMA	0.7144
100-day SMA	0.6932

Pivot Table	
R3	0.7327
R2	0.7276
R1	0.7237
Pivot point	0.7186
S1	0.7147
S2	0.7096
S3	0.7057



USDCNY

Time Frame: Daily & 4-hour

USDCNY ended the previous week higher by 0.57%, it made a high of 6.4810 and low of 6.4255. 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. Momentum indicators in sell mode support the above observation suggesting the further downside potential in the coming week. We may expect the pair to decline towards 6.44 and 6.42, while resistance is seen at 6.47 and 6.50.

USDCNY	
Closing price	6.4656
Prev. week close	6.4292
Weekly change (%)	0.57%
RSI (Daily)	45.70
20-day SMA	6.4691
50-day SMA	6.5060
100-day SMA	6.6009

Pivot Table	
R3	6.5388
R2	6.5102
R1	6.4879
Pivot point	6.4593
S1	6.4370
S2	6.4084
S3	6.3861



Major events that lead to price movement in the previous week

❑ U.S ISM Manufacturing PMI

U.S Manufacturing PMI stood at 58.7% marginally lower than the month of December, which was 60.7%. The economic activity in the U.S. has been continuously increasing for the eight consecutive weeks after a contraction in March, April, and May, as new orders and production are increasing. On the other hand, Supplier Deliveries is slowing at a faster rate, and the backlog is increasing, which is pushing the prices to go up. Chemical Products, Fabricated Metal Products, Computer & Electronic Products, Transportation Equipment, Food, Beverage & Tobacco Products registered a moderately strong growth in January.

❑ RBA Monetary policy statement

The board decided to maintain the cash rate at 10%. The GDP is expected to grow at 3.5% over the year 2021, as the global economy is showing signs of an improvement due to the expansion of vaccines. The government is planning an additional bond purchase programme of \$100bn, after the current bond purchase programme, which is expected to complete in mid-April. The unemployment rate is expected to be around 6% at the end of this year, and 5½% in 2022 respectively.

❑ New Zealand's employment change

New Zealand's unemployment rate stood at 4.9%, versus the anticipation of 5.6%, which was a decrease of 0.4% since the last quarter. The number of unemployed people in this quarter fell to 141,000, which was a decrease of 10k since September. Average ordinary time hourly earnings rose to \$34.14. The unemployment rate decreased by 4.9%, and the employment rate jumped to 66.8%.

❑ ADP Non-Farm employment change

The estimated change in the number of employed people during the previous month, excluding the farming industry and government, increased by 174k, versus the anticipation of 48k.

❑ BOC Monetary Policy Report

The BOE (Bank of England) has kept the policy rate unchanged at 0.1%. The Bank of England's Monetary Policy Committee (MPC) is keeping its targeted inflation rate at 2% to boost growth and employment. Household secured net borrowing had been £5.6 billion in December. The GDP has fallen by 2.6% in the month of November 2020, to around 9% below its 2019 quarter average. Total Asset Purchase Facility has reached £759 billion, an increase of £14 billion, as a part of the £150 billion programme of the UK government bond purchases announced on 5th November, 2020.

❑ Canada's employment change

Canada's employment figures stood at -212.8k, against the expectations of -43.5k, which is a decline in employment by 150.2k, since the last month, from -62.6k. The Canadian labour market recorded its first decline since April. The unemployment rate stood at 9.4%, against the forecast of 8.9%, which is a change of 0.8%, from the previous month. Canadians, who worked at least half their usual hours, and the number working from home increased by nearly 700,000, to 5.4 million in January, surpassing the previous high of 5.1 million in April.

■ U.S Non-Farm employment change

The U.S. economy added 49k jobs in the month of January, against the expectation of an increase of 85k. The economy is just 11.6 million jobs below its pre-pandemic trend of unemployment, while the unemployment rate decreased by 0.4%, from the previous month, against the estimate of 6.7%.

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