

[Currency Report](#) - The highlight of the week was the much anticipated speech from the Federal Reserve (Fed) Chairwoman, Janet Yellen. At the annual economic symposium in Jackson Hole, the Fed Chief stated that the case to hike interest rate has intensified, as recent economic data indicated that the US economy is strong enough to withstand a rate hike. Further, she stated that the economy is growing at a moderate pace and is “nearing” the Fed’s goals of full employment and stable prices. Moreover, Fed’s Vice Chairman, Stanley Fischer, expressed optimism over the health of the nation’s economy while highlighting that the labor market is growing continuously and stated that next jobs report will be a key factor to decide on the further course of interest rate hikes.

In other economic news, the US second quarter annualized GDP growth was revised down slightly, in line with market expectations. Moreover, the nation’s advance goods trade balance narrowed more than estimated in July. Also, preliminary durable goods orders rebounded for the first time in three-months in July, thus indicating that continuous slump in business investment is easing in the second quarter. Additionally, the nation’s initial jobless claims unexpectedly dropped to its lowest level in five-weeks during the week ended 20 August 2016, pointing towards continuous strength in the labor market. Further, the nation’s new home sales unexpectedly advanced to its highest level in almost nine years on a monthly basis in July, amid robust demand. Also, the flash Markit manufacturing PMI data

indicated that activity in the US manufacturing sector expanded at a slower than expected pace in August. On the other hand, the nation's flash Markit services PMI surprisingly fell to a six-month low level in the same month. Further, the final Reuters/Michigan consumer sentiment index unexpectedly dropped in August. Moreover, the nation's existing home sales eased more than expected on a monthly basis in July. The Euro traded lower against the USD, after Eurozone's flash manufacturing PMI surprisingly dropped in August but was still in the expansion territory. Also, the region's flash consumer confidence index unexpectedly dropped in August, deteriorating for a third straight month and notching its lowest level since April 2016. On the other hand, the preliminary Markit services PMI unexpectedly advanced to its highest level in three-months in August. Separately, Germany's final GDP grew on a quarterly basis in 2Q 2016. Further, the nation's manufacturing sector grew at the slowest pace in three-months in August. Moreover, the service sector expanded at the slowest pace since May 2015 in the same month. Moreover, the Ifo business climate index unexpectedly fell to a six-month low level in August, thus raising concerns that the historic Brexit vote has clouded growth prospects for the Euro-zone's largest economy. **EURUSD** During the previous week, the EUR traded 1.12% lower against the USD and ended at 1.1198, after the Eurozone's flash consumer confidence index unexpectedly dropped in August. Also, the region's flash manufacturing PMI surprisingly rose at a slower pace in August. On the other hand, the region's

preliminary Markit services PMI unexpectedly advanced in August. Separately, Germany's final GDP grew on a quarterly basis in 2Q 2016, at par with market expectations. Moreover, the nation's manufacturing sector grew at a slower pace in August, at par with market expectations. Additionally, the service sector expanded at a slower than expected pace in the same month. On the contrary, the nation's Ifo business climate index unexpectedly fell in August. Also, the nation's Ifo business expectations and current assessment indices surprisingly eased in the same month. The pair traded at a high of 1.1355 and a low of 1.1181 during the previous week. The pair is expected to witness its first support at 1.1134 and second support at 1.1071, while the first resistance is expected at 1.1308 and second resistance at 1.1419. Moving ahead, investors will look forward to the crucial unemployment rate, flash consumer price inflation and Markit manufacturing PMI data across the Eurozone, slated to release this week. **GBPUSD** The GBP traded 0.47% higher against the USD last week, with the pair closing at 1.3137, after UK's economic growth quickened in the second quarter of 2016, suggesting that the nation's economy was in strong shape in the run up to the EU referendum. In other economic news, UK's CBI industrial trends total orders eased in August. Also, the nation's BBA mortgage approvals fell to an 18-month low level in July. On the other hand, the CBI quarterly distributive trades survey index advanced in August. The GBP hit a high of 1.3279 and a low of 1.3035 against the USD in the previous week. The pair is expected to witness its first support at 1.3022 and

second support at 1.2906, while the first resistance is expected at 1.3266 and second resistance at 1.3394. Going forward, UK's Markit manufacturing PMI, consumer confidence and construction PMI data, scheduled to release this week, would garner lot of market attention.

**USDJPY** The USD advanced against the JPY last week, closing 1.62% higher at 101.84. The JPY lost ground against the USD, after Japan's national consumer price index (CPI) declined for a fifth consecutive month on an annual basis in July, in line with market expectations, thus piling pressure on the Bank of Japan to inject additional stimulus to revive inflation. Meanwhile, the nation's flash manufacturing PMI inched higher in August, advancing for the first time in six months but remained in the contraction territory for sixth straight month. Also, the final leading and coincident indices rose in June. During the previous week, the pair traded at a high of 101.94 and a low of 99.94. The pair is expected to find support at 100.54, and a fall through could take it to the next support level of 99.24. The pair is expected to find its first resistance at 102.54, and a rise through could take it to the next resistance level of 103.24. Looking ahead, this week market participants await the release of Japan's unemployment rate, industrial production and Nikkei manufacturing PMI data, to gauge the strength in the nation's economy. **USDCHF** During the previous week, the USD traded 1.84% higher against the CHF and ended at 0.9782. On the economic front, Switzerland's trade surplus narrowed to a 3-month low level in July. Additionally, the nation's annual industrial production dropped in 2Q 2016.

Meanwhile, the nation's exports rebounded on a monthly basis in July. Moreover, imports rose on a monthly basis in the same month. During the previous week, the pair traded at a high of 0.9793 and a low of 0.9594. The pair is expected to find its first support at 0.9653 and first resistance at 0.9852. The second support is expected at 0.9524 and second resistance at 0.9922. This week, investors would focus on Switzerland's UBS consumption indicator, retail sales and SVME purchasing managers' index data. **USDCAD** Last week, the USD traded 1.03% higher against the CAD and closed at 1.3003. In economic news, Canada's wholesale sales rose more than expected in June. The USD hit a high of 1.3012 and a low of 1.2832 against the CAD in the previous week. The pair is expected to witness its first support at 1.2886 and second support at 1.2769, while the first resistance is expected at 1.3066 and second resistance at 1.3129. Looking ahead, investors would closely monitor the Canada's GDP, RBC manufacturing PMI and international merchandise trade balance data, all due to release this week. **AUDUSD** During the previous week, the AUD traded 0.83% lower against the USD and ended at 0.7564. Macroeconomic data indicated that, Australia's CB leading indicator advanced in June. On the contrary, the construction work done dropped more than forecasted on a quarterly basis in 2Q 2016. The pair traded at a high of 0.7692 and a low of 0.7551 during the previous week. The pair is expected to find its first support at 0.7513 and first resistance at 0.7654. The second support is expected at 0.7461 and second resistance at 0.7743. Moving ahead, market

participants would keep a close watch on Australia's building permits, HIA new home sales, AiG performance of manufacturing index and retail sales, all due to release this week. **Gold** Last week, gold fell 1.51% to close at USD1321.18 per ounce, as prospects for a Fed rate hike intensified, following comments from top Fed officials that hinted at a potential interest rate hike as early as next month. Gold hit a high of USD1348.80 per ounce and a low of USD1321.00 per ounce during the previous week. Immediate downside, the first support level is seen at USD1313.73 per ounce, followed by USD1303.47 per ounce, while on the upside, the first resistance level situated in USD1341.53 per ounce, followed by USD1359.07 per ounce. **Crude Oil** Last week, crude oil weakened 1.81% to close at USD47.64 per barrel, following fresh doubts about a potential output freeze by the top oil producers, after the Saudi Arabian Energy Minister, Khalid Al-Falih, tempered expectations for an output freeze by stating that significant intervention in the market is not necessary. Oil prices failed to find support, after the Energy Information Administration (EIA) revealed that the US crude oil inventories unexpectedly rose by 2.5 million barrels to 523.6 million barrels during the week ended 19 August. Additionally, the American Petroleum Institute (API) reported a surprise build of 4.5 million barrels to 526.3 million barrels in the US crude stockpiles during the last week, further adding to supply glut concerns. Crude oil hit a high of USD48.87 per barrel and a low of USD46.42 per barrel in the previous week. The commodity is expected to find its first support at

USD46.18 per barrel and first resistance at USD48.63 per barrel. The second support is expected at USD45.08 per barrel and second resistance at USD49.98 per barrel. [Direct Fx Broker](#) Review and Forex Rebates Up to 85%