

[Forex News and ECB meeting](#) - The single currency could come under pressure as the ECB meeting is scheduled for later today. No policy changes are expected from the central bank as Draghi's "*whatever it takes*" remains the main keyword. Talk about the prospects of QE; both tapering and extension remain the main point of interest for the markets. Earlier this week, inflation data from the eurozone has seen a modest improvement from 0.20% to 0.40% for September which could ease some pressure, but at the same time, inflation remains to be strongly anchored well below the ECB's inflation target rate of 2 percent. **EURUSD Daily Analysis**



EURUSD (1.0968): EURUSD closed with a spinning bottom pattern yesterday below 1.1000 level with price action seen briefly trading near 1.0950 price point, marking July 22 - 25 lows of 1.0951 - 1.0955. More declines can be expected as the head and shoulders pattern is realised towards 1.0900. But with the ECB meeting looming, the potential for an upside risk cannot be ruled out. On the 4-hour chart, price action continues to dip lower; just a few pips shy of 1.0950. A short-term pullback towards 1.1100 could be expected depending on the outcome of today's ECB meeting. The Stochastics are also clearly pointing to a bullish divergence on a higher low

against the lower low in price. **USDJPY Daily Analysis**



USDJPY (103.62): USDJPY closed bearish yesterday, but price action remains within the range from October 13 low of 103.33. Yesterday's bearish declines came after a doji the previous day and prices are currently looking to regain some of the lost ground. USDJPY is now trading within the range for four consecutive days and could mark a breakout. On the 4-hour chart, price gains could be limited towards 104.00 region ahead of further declines to 103.00 and 102.00. To the upside, a close above 104.00 on the daily session could signal further upside, but price action could remain choppy.

XAUUSD Daily Analysis



XAUUSD (1271.95): Gold prices posted a decent rally yesterday lifting off the \$1250 support. Resistance at 1278.00 is now likely to be tested which could cap the gains in the near term. To the downside, gold prices could be seen correcting back to 1265.50 -

1261.50 price zone which previously acted as resistance. Establishing support here could pave the way for further gains with 1278.00 likely to be challenged once again. Further gains are expected only on a bullish close above the 1278 handle. **Source:** [Orbex Forex Broker \(Review and Forex Rebates Up to 85%\)](#)