Last week, the forex market was dictated by minutes of the US Federal Reserve's (Fed) and the European Central Bank's (ECB) recent meeting. The greenback lost ground against a basket of major currencies last week, after minutes of the Fed's November meeting revealed lingering concerns over tepid US inflation and rowed back expectations for faster interest rate hikes in 2018. According to minutes, officials gave a more favorable assessment on the US economy and indicated that an increase in interest rates would be warranted "in the near term". However, policymakers were uncertain about whether persistently low inflation was transitory. Moreover, board members struck a cautious tone on US financial markets, warning that asset markets had become 'imbalanced' and could pose a threat to the economy. Meanwhile, the Fed Chair, Janet Yellen, stated that even though inflation in US is expected to rebound, the Fed is "very uncertain" on inflation outlook. Further, Yellen warned that raising interest rates too quickly could cause inflation to stagnate well below the central bank's target. On the data front, preliminary durable goods orders in US dropped for the first time in 4 months in October, dragged by declining orders for commercial aircraft. Additionally, activity in the nation's services sector unexpectedly slowed to a 4-month low in November, while manufacturing sector growth touched a 2-month low in the same month. In contrast, the nation's existing home sales topped market expectations in October, rising by the most in 7 months, while initial jobless claims sharply fell in the week ended 18 November. The Euro ended the week on a stronger footing against the USD, after activity in the Eurozone's manufacturing sector unexpectedly advanced in November, while services sector growth notched a 6-month high in the same month, thus highlighting that robust economic recovery across the single currency bloc is gathering further momentum. Meanwhile, ECB minutes revealed that officials argued against putting an end date to its bond-buying program. However, board members agreed that an ample degree of monetary stimulus was still needed, largely due to lack of inflationary pressures. The Pound ended the week higher against the USD, lifted by speculations that the UK government is ready to offer £40.0 billion to the EU as part of its 'divorce bill'. Meanwhile, the British Finance Minister, Philip Hammond, in his Autumn Statement, announced that the Office for Budget Responsibility (OBR) sharply slashed UK's economic growth outlook. Further, Hammond vowed to set aside £3.0 billion over the next two years for Brexit contingency plans. **EURUSD** The EUR strengthened against the USD last week, closing 1.21% higher at 1.1933, on the back of a string of upbeat economic releases across the Eurozone. The Eurozone's flash Markit manufacturing purchasing managers' index (PMI) unexpectedly climbed in November, while the services PMI advanced above expectations in the same month. Also, the region's preliminary consumer sentiment index came in better-than-expected in November. Separately, Germany's Markit manufacturing PMI surprisingly advanced in November, while the services PMI advanced less-than-anticipated in the same month.

Furthermore, the nation's seasonally adjusted final gross domestic product (GDP) rose 0.8% QoQ in 3Q 2017, confirming the preliminary print. Moreover, the nation's Ifo business climate and expectations indices, both unexpectedly advanced in November. The Euro got further boost, on news that Germany's Social Democrats' agreed to hold talks with Chancellor, Angela Merkel on resolving the political crisis by renewing their outgoing coalition government. During the previous week, the pair traded at a high of 1.1944 and a low of 1.1713. The pair is expected to witness its first support at 1.1781 and second support at 1.1631, while the first resistance is expected at 1.2012 and second resistance at 1.2093. This week, market participants would focus on the consumer price index (CPI) and unemployment rate data, slated to release across the Eurozone. Additionally, Germany's retail sales and GfK consumer confidence data would also be keenly watched by investors. **GBPUSD** During the previous week, the GBP traded 0.92% higher against the USD and ended at 1.3337. On the macro front, second estimate of Britain's GDP rose 0.4% in the third quarter of 2017, in line with the flash estimates, while public sector net borrowing posted a more-than-anticipated deficit in October. Meanwhile, the nation's total business investment rose less-than-expected in 3Q 2017. On the contrary, the nation's BBA mortgage approvals declined more-than-anticipated in October. Separately, the OBR slashed UK's growth forecast to 1.5% for 2017 and to 1.4% in 2018, revised down from a previous estimate of 2.0% and 1.6%, respectively. During the previous week, the pair traded at a high of 1.3360 and a low of 1.3186. Immediate downside, the first support level is seen at 1.3226, followed by 1.3119, while on the upside, the first resistance level situated in 1.3400, followed by 1.3467. Looking ahead, UK's Markit manufacturing PMI, consumer credit and GfK consumer confidence data, scheduled to release this week, would generate a lot of market attention. **USDJPY** During the previous week, the USD traded 0.51% lower against the JPY and ended at 111.53. In economic news, data indicated that Japan's preliminary Nikkei manufacturing PMI jumped in November, while the nation's adjusted merchandise trade surplus unexpectedly widened in October. Also, the nation's all industry activity index slid more-than-expected on a monthly basis in September. Other data showed that the nation's final leading economic index was revised lower in September, while final coincident index eased less than initially estimated in the same month. During the previous week, the pair traded at a high of 112.72 and a low of 111.07. The pair is expected to witness its first support at 110.86 and second support at 110.14, while the first resistance is expected at 112.51 and second resistance at 113.44. Looking forward, investors would focus on Japan's jobless rate, the national consumer price index and industrial production data, all set to release this week. **USDCHF** The USD fell against the CHF last week, closing 0.97% lower at 0.9795. Macroeconomic data showed that Switzerland's trade surplus narrowed in October. The pair traded at a high of 0.9947 and a low of 0.9786 during the previous week. The pair is expected to witness its first support at 0.9740 and second support at 0.9683, while the first resistance is expected at 0.9901 and second resistance at 1.0005. Moving ahead, investors will look forward to Switzerland's 3Q GDP numbers, real retail sales, manufacturing PMI, the ZEW economic expectations, the UBS consumption indicator and the KOF leading indicator data, all slated to release this week. **USDCAD** The USD fell against the CAD last week, closing 0.4% lower at 1.2712. The Canadian Dollar fell against the USD, on the back of disappointing Canadian inflation and retail sales data. Data indicated that Canada's CPI slowed to 1.4% on a yearly basis in October, meeting market expectations. Moreover, the nation's retail sales posted a modest gain on a monthly basis in September, whereas wholesale sales surprisingly eased on a monthly basis in the same month. The USD hit a high of 1.2837 and a low of 1.2673 against the CAD in the previous week. The pair is expected to witness its first support at 1.2644 and second support at 1.2577, while the first resistance is expected at 1.2808 and second resistance at 1.2905. Going ahead, a speech by the Bank of Canada's (BoC) Governor, Stephen Poloz, due this week, will keep investors on their toes. Also, the release of Canada's GDP, unemployment rate, and manufacturing PMI, all will keep investors on their toes. **AUDUSD** The AUD strengthened against the USD last week, closing 0.7% higher at 0.7617. According to minutes of the Reserve Bank of Australia's (RBA) November meeting, policymakers cautioned that there remains "considerable uncertainty" about how quickly wages might grow and how this could impact inflation. Further, the board members noted that growth in inflation would be influenced by pressure on margins from strong retail competition and the outlook for wage growth. Meanwhile, the RBA Governor, Philip Lowe ruled out the possibility of a near-term interest rate hike as inflation is expected to remain below the central bank's target for another two years. Data indicated that Australia's Westpac leading index climbed on a monthly basis in October. Moreover, the nation's seasonally adjusted construction work done unexpectedly advanced on a quarterly basis in the third quarter of 2017. The AUD hit a high of 0.7639 and a low of 0.7532 against the USD in the previous week. The pair is expected to find its first support at 0.7553 and first resistance at 0.7660. The second support is expected at 0.7489 and second resistance at 0.7703. This week, investors would keep a close watch on Australia's AiG performance of manufacturing index, the HIA new home sales and building approvals data. **Gold** Last week, gold fell 0.31% to close at USD1288.37 per ounce, amid a rally in global equity markets. The precious metal traded at a high of USD1299.00 per ounce and a low of USD1278.50 per ounce in the previous week. Immediate downside, the first support level is seen at USD1280.00 per ounce, followed by USD1269.00 per ounce, while on the upside, the first resistance level situated in USD1300.50 per ounce, followed by USD1310.00 per ounce. **Crude Oil** Crude oil strengthened in the previous week, closing 4.24% higher at USD58.95 per barrel, on mounting concerns that crude supply to the US will remain disrupted as the restart of one of the largest crude pipelines from Canada to the US could take several weeks. Oil prices gained further support, after the Energy Information Administration (EIA) reported that US crude oil inventories declined by 1.9 million barrels to 457.1 million barrels during the week ended 17 November, while the American Petroleum Institute (API) indicated that US crude oil stockpiles fell more-than-anticipated by 6.4 million barrels to 455.4 million barrels during the same week. The commodity hit a high of USD59.05 per barrel and a low of USD55.75 per barrel in the previous week. The commodity is expected to find its first support at USD56.69 per barrel and first resistance at USD59.99 per barrel. The second support is expected at USD54.57 per barrel and second resistance at USD61.17 per barrel.

Source: Direct Fx Broker