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## Forex Market Analysis

**2015.05.08**

The market's attitude towards the **US dollar** has dramatically deteriorated in comparison with the hopes seen at the beginning of the week. ADP employment report missed the forecast, especially taking into account the fact that the previous reading was revised to the downside. The unemployment claims released on Thursday, however, came lower than expected (265K vs. 277K) - this is the main source of hope for the USD bulls ahead of the Non-Farm Payrolls. NFP is expected to show gain of 227K jobs vs. 126K in March. The unemployment rate is expected to decline from 5.5% to 5.4%.

Friday promises a very volatile trading. We'll see bigger market reaction if NFP disappoints than if it comes at a good level. Our main scenario is to prepare for a USD-negative scenario.

**EUR/USD** reached 1.1390 where it met some resistance. The euro looks overbought. Support is at 1.1250 (100-day MA) and 1.1150. If US NFP is below forecast, the pair may jump to 1.1500/35.

**GBP/USD** is awaiting the results of the UK election: the exit polls figures will be available around 21:00 GMT. Conservatives ahead will

be GBP-positive, while Labourists ahead will be GBP-negative. Watch support at 1.5100 and resistance at 1.5270. A break of one of these levels may provoke a move either to 1.4900 or 1.5550.

**USD/JPY** is slowly declining for the fourth day in a row. Support is at 118.70/50. Resistance is at 120.00 and 120.50. Below the latter level the bears will continue to dominate. A miss in NFP will make the pair challenge 118.50/30.

**AUD/USD** has lost some momentum as it failed to settle above 0.8000 as Australian labor market data was weaker than forecasts. Resistance is at 0.8030. Support is at 0.7900, 0.7840 and 0.7760. The Reserve Bank of Australia will release monetary policy statement on Friday morning. Buying on the dips may prove to be a right strategy.

Source: [FBS Forex](#) Broker

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