

[text] **Forex Market Analysis** [Direct FX Forex Broker](#) **EURUSD** The EUR traded 1.15% higher against the USD last week, with the pair closing at 1.1114, as German CPI recorded the largest increase since October 2014, amid signs that the ECB's monetary stimulus measures and a pickup in energy costs have pushed up consumer prices. The Euro further found support, after inflation in the Euro-zone advanced more than expected on an annual basis in May. Additionally, retail sales in the Euro-zone and factory orders in Germany, Euro-zone's biggest economy registered upbeat figures on a monthly basis in April, suggesting growth was gaining momentum in the Euro-economy. In other economic news, Greece opted to defer its €300 million repayment to the International Monetary Fund (IMF) until the end of the month, thus preventing a default and giving the nation a longer time to negotiate with its creditors. During the previous week, the pair traded at a high of 1.1381 and a low of 1.0887. The pair is expected to find support at 1.0874, and a fall through could take it to the next support level of 1.0634. The pair is expected to find its first resistance at 1.1368, and a rise through could take it to the next resistance level of 1.1621. This week, investors would turn their attention towards the Euro-zone's Sentix investor confidence, industrial production along with Germany's trade balance data.

**GBPUSD** The GBP traded 0.12% lower against the USD last week, with the pair closing at 1.5272, on the back of mixed economic data in the UK. Data released during the week showed that Britain's consumer price expectations for the next 12 months improved

slightly, while the nation's construction activity quickened more than expected in May. Additionally, UK mortgage approvals notched its highest level in more than a year in April. On the other hand, Britain's manufacturing as well as services PMI registered disappointing figures in May, indicating that the nation's economic recovery has slowed down. During the week, the BoE decided to keep interest rates on hold at 0.5% and maintained its asset-purchase programme intact at 375 billion, at par with market expectations. The GBP hit a high of 1.5444 and a low of 1.5170 against the USD in the previous week. The pair is expected to find its first support at 1.5146 and first resistance at 1.5419. The second support is expected at 1.5022 and second resistance at 1.5568. This week, investors would focus on Britain's manufacturing and industrial production, trade balance and the NIESR GDP estimate data, to get better insights in the nation's economy. **USDJPY** During the previous week, the USD traded 1.16% higher against the JPY and ended at 125.62. In economic news, the preliminary estimate of Japan's leading economic index advanced to 107.20 in Japan, in April, compared to a reading of 106.00 in the previous month, while coincident index rose to 111.1 in April, beating market expectations of a rise to a level of 110.70. In other economic news, labor cash earnings as well as monetary base climbed in the month of April and May respectively. Meanwhile, Japan's final manufacturing PMI entered into expansion territory in May. Last week, the BoJ's board member, Sayuri Shirai opined that there was no further need to expand monetary stimulus, as inflation

in the nation was moving up. The pair traded at a high of 125.86 and a low of 123.75 during the previous week. Immediate downside, the first support level is seen at 124.30, followed by 122.97, while on the upside, the first resistance level situated in 126.41, followed by 127.19. Trading trends in the Yen during the week would be determined by Japan's industrial production and the Eco watcher's survey data.

**USDCHF** During the previous week, the USD traded marginally lower against the CHF and ended at 0.9398. In economic news, Switzerland's SVME manufacturing PMI unexpectedly improved, but remained in contraction territory in May, while foreign currency reserves registered an unexpected drop to a level of CHF517.50 billion in May. Market expectations were for it to rise to a level of CHF524.50 billion. The pair traded at a high of 0.9504 and a low of 0.9278 during the previous week. The pair is expected to find support at 0.9282, and a fall through could take it to the next support level of 0.9167. The pair is expected to find its first resistance at 0.9508, and a rise through could take it to the next resistance level of 0.9618. Going forward, investor sentiment would be governed by the crucial consumer prices and employment data from the nation.

**USDCAD** During the previous week, the USD traded 0.11% lower against the CAD and ended at 1.2441. On the macro front, unemployment rate in Canada remained unchanged at 6.8% in May, at par with market expectations. Meanwhile, the nation's RBC manufacturing PMI rose to 49.8, its highest level since January in

May, while the Ivey PMI jumped to a 19-month high level in May, thereby increasing optimism over the country's economic outlook.

During the week, the Organization for Economic and Co-operation and Development (OECD) trimmed Canada's growth forecast to 1.5% from 2.2%, citing weak investment in the nation's energy sector following the drop in oil prices. Separately, the Canadian Finance Minister, Joe Oliver mentioned that the Canadian economy was poised to rebound, after it contracted in the first quarter of 2015. The pair traded at a high of 1.2565 and a low of 1.2368 during the previous week. The pair is expected to find its first support at 1.2353 and first resistance at 1.2550. The second support is expected at 1.2261 and second resistance at 1.2656. Amid a light economic calendar in Canada this week, investors would concentrate on the nation's housing starts and building permits data, for further direction in the currency pair.

**AUDUSD** Last week, the AUD traded 0.3% lower against the USD and closed at 0.762. Losses were kept in check, following better than expected GDP data in Australia. Data released showed that Australia's GDP expanded at a robust pace of 0.9% on a QoQ basis in the first quarter of 2015, beating market expectations for an increase of 0.7%, as a pick-up in mining export volumes, household spending and retail stock managed to offset sluggish investment. It followed a 0.5% growth recorded in the fourth quarter of 2014. In other economic news, the RBA kept its key interest rates unchanged at 2.0% in line with market expectations. Meanwhile, Australia's retail sales

surprisingly stagnated on a monthly basis in April, following a 0.2% increase in the previous month, while trade deficit widened more than expected in the same month. The pair traded at a high of 0.7821 and a low of 0.7598 during the previous week. Immediate downside, the first support level is seen at 0.7540, followed by 0.7458, while on the upside, the first resistance level situated in 0.7763, followed by 0.7904. In the coming week, Australia's unemployment, Westpac consumer confidence data, along with the speech from the RBA Governor, Glenn Stevens would be closely watched by market participants.

**Gold** During the previous week, gold traded 1.57% lower and ended at USD1171.94 per ounce, after better than expected US non-farm payrolls figure in May increased prospects of an interest rate hike by the Fed. Meanwhile, bullion investors closely monitored the situation in Greece after the nation delayed its payment to its creditors on 05 June. Last week, the precious metal traded at a high of USD1204.70 per ounce and a low of USD1162.10 per ounce. The yellow metal is expected to witness its first support at USD1153.97 per ounce and second support at USD1136.73 per ounce, while the first resistance is expected at USD1196.57 per ounce and second resistance at USD1221.93 per ounce.

**Crude Oil** Last week, crude oil traded 1.94% lower and ended at USD59.13 per barrel, after the OPEC in a much expected move decided to keep its production targets unchanged at its meeting in Vienna on 05 June. Separately, the Energy Information

Administration (EIA) showed that US crude oil stocks decreased for the fifth straight week by 1.9 million barrels to 477 million barrels in the week ended 29 May. On the other hand, American Petroleum Institute (API) indicated that US oil inventories expanded by 1.8 million barrels last week. Last week, the commodity traded at a high of USD61.58 per barrel and a low of USD56.83 per barrel. Immediate downside, the first support level is seen at USD56.66 per barrel, followed by USD54.37 per barrel, while on the upside, the first resistance level situated in USD61.41 per barrel, followed by USD63.87 per barrel. [/text]