

[text] The dollar largely shrugged off the lower than expected productivity gains, and higher labor costs, leaving EUR/USD near the top of its range at 1.1040. The German ZEW unexpectedly dropped in August, with the expectations reading falling to 25.0 from 29.7. This appeared not to effect Euro investors, but momentum was not strong enough to pierce through the August highs. The currency pair tested trend line support and close on a downward sloping trend line that represents robust resistance. Support is seen near the 10-day moving average at 1.0960. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. **EUR/USD Chart**



Source: Fxempire [/text]