

[text] **Source:** [Direct Fx Broker \(Review and Forex Cashback\)](#) **Weekly Forex Update** The central bank of China cut its key interest rate by 0.25% to 4.60%, the fifth cut since November last year, which led to a stabilization in equity and commodity markets across the globe. The greenback was mostly higher against its major counterparts in the past week, after the US economy grew faster than initially estimated in the second quarter of 2015. Separately, consumer confidence in the US rose to its highest level since January in this month, reflecting optimism in the US economy, after a steep fall in July. Additionally, data revealed that durable-goods orders in July experienced its biggest gain in 13 months, while the initial jobless claims dropped for the past week, its first decline in 5 weeks. The Chicago Fed National Activity Index swung into positive territory, climbing to 0.34 in July, its best reading so far in this year, from a downwardly revised level of -0.07 in the past month. Even though US services sector growth slowed in August, its reading of 55.2 still hold near the average of the past six years. New home sales rose slightly lesser than expected in July, albeit registering a 21% YoY rise. According to the S&P/Case-Shiller, the 20-city home price index rose 5% YoY in June, but fell short of consensus forecasts. FHFA's seasonally adjusted house prices index for June was up 0.2% from May. On the other hand, Richmond Fed Manufacturing collapsed to lowest reading since May 2006, after a 3-month bounce, in August. The Euro trader lower vs the greenback, despite a spur of positive macroeconomic data from the 19-nation bloc. German and Spanish economies grew in 2Q 2015

while Germany's Ifo survey pointed to healthy business conditions during August. The Pound was also down as against the USD, despite an expansion in Britain's economy during the second quarter. The Yen was up against the Dollar in the last week after Japan's unemployment rate improved to 3.3% in July from 3.4% in June. However, Japan's Nationwide consumer prices remained almost stable in July on a yearly basis, after climbing for 25 months.

**EURUSD** The EUR traded 1.74% lower against the USD last week, with the pair closing at 1.1187. In economic news, the business climate indicator as well as the industrial confidence index in the single currency bloc fell more than expected in August, while the final consumer confidence index in the bloc rose less than expected to -6.90 in August. However, losses were curbed after German seasonally adjusted final GDP rose 0.40% QoQ in 2Q 2015, matching with its market expectations as well as its preliminary print. Additionally, the August Ifo survey revealed optimism about German business conditions. Eurozone's economic & services sentiment indicators surprisingly climbed in this month. The final consumer confidence index in the Euro area rose less than expected to -6.90 in August. Separately, the final print revealed that the Spanish economy grew further in the second quarter. The French business confidence for August rose to 103, the highest in 4 years. During the previous week, the pair traded at a high of 1.1715 and a low of 1.1156. The pair is expected to witness its first support at 1.0989 and second support at 1.0792, while the first resistance is expected at 1.1548 and

second resistance at 1.1911. Moving ahead, investors would keenly wait for the release of Eurozone's Q2 GDP figures, which is expected to grow at a similar rate from the past quarter, scheduled towards the end of the week. Besides this, ECB's interest rate decision, followed by the monetary policy statement and press conference as well as Eurozone's inflation data, due later in the week, would also fetch a lot of market attention. **GBPUSD** The GBP traded 1.91% lower against the USD last week, with the pair closing at 1.5394, as UK's house prices in August climbed at the slowest annual speed in more than two years. However, the nation's economy grew in the second quarter, signifying the 10th straight quarter of positive gains. In addition, the UK's consumer confidence unexpectedly rose to a reading of 7.00 in August, notching its 15-year high. Britain's mortgage approvals as well as CBI distributive trades survey came in above forecasts in August. During the previous week, the pair traded at a high of 1.5820 and a low of 1.5335. The pair is expected to witness its first support at 1.5211 and second support at 1.5031, while the first resistance is expected at 1.5695 and second resistance at 1.6000. In the next week, UK consumers' outlook for inflation as well as PMI data for manufacturing, construction and services, would grab a lot of investor attention. **USDJPY** The USD traded 0.32% lower against the JPY last week, with the pair closing at 121.68. The Yen lost ground after the annual consumer prices in Japan remained almost unchanged in July, after 25 straight months of rise. Japan's small business confidence index fell in August from July. However,

Yen's losses were limited as data indicated that Japan's unemployment rate improved to 3.3% in July, from 3.4% in past month and after turbulence in equities during early part of week benefitted the safe haven currency. The final leading economic and coincident indices for June reported readings which exceeded its preliminary figures. The corporate service price index in Japan rose more than expected in July. During the previous week, the pair traded at a high of 121.95 and a low of 116.17. The pair is expected to find support at 117.93, and a fall through could take it to the next support level of 114.16. The pair is expected to find its first resistance at 123.72, and a rise through could take it to the next resistance level of 125.73. Going forward, housing starts and construction orders, both for the month of July, scheduled in the next week, and would be watched by the Yen investors. **USDCHF** During the previous week, the USD traded 1.71% higher against the CHF and ended at 0.9626. The Swiss Franc lost ground, after the nation's industrial production slipped in the second quarter. However, losses in the CHF were pared after the country's economy grew in Q2. In other economic news, Swiss UBS consumption indicator rose on a monthly basis in July, while the number of people employed in the second quarter managed to increase. During the previous week, the pair traded at a high of 0.9676 and a low of 0.9256. The pair is expected to find its first support at 0.9370 and first resistance at 0.9790. The second support is expected at 0.9102 and second resistance at 0.9943. Switzerland's consumer prices data for August, scheduled in the

coming week, would be looked forward by investors. **USDCAD** The USD rose against the CAD last week, closing 0.1% higher at 1.3201, amid a lack of any major economic news from Canada this week. The USD hit a high of 1.3355 and a low of 1.3144 against the CAD in the previous week. The pair is expected to witness its first support at 1.3111 and second support at 1.3022, while the first resistance is expected at 1.3322 and second resistance at 1.3444. Going ahead, next week's Q2 GDP numbers as well as August unemployment rate data for Canada, would be of importance to CAD traders. **AUDUSD** Last week, the AUD traded 1.97% lower against the USD and closed at 0.7173, amid disappointing Q2 domestic capex data for Australia. Meanwhile, Australia's construction work done unexpectedly increased in June quarter. The pair traded at a high of 0.7277 and a low of 0.7044 during the previous week. The pair is expected to find its first support at 0.7052 and first resistance at 0.7285. The second support is expected at 0.6932 and second resistance at 0.7398. In the next week, Australia's Q2 economic growth figures would be keenly awaited by the market players. Additionally, RBA's interest rate decision, which is widely expected to remain unchanged at 2%, would also grab a lot of attention. **Gold** Last week, gold fell 2.34% to close at USD1133.60 per ounce, as the equity markets across the globe rebounded from the recent sharp sell-off and after positive macroeconomic data from the US reduced the safe haven allure of the yellow metal. Last week, the precious metal traded at a high of USD1169.80 per ounce and a low of USD1116.90 per ounce. Gold is

expected to find support at USD1109.80 per ounce, and a fall through could take it to the next support level of USD1086.90 per ounce. The yellow metal is expected to find its first resistance at USD1162.70 per ounce, and a rise through could take it to the next resistance level of USD1192.70 per ounce. **Crude Oil** Crude oil strengthened in the previous week, closing 11.79% higher at USD45.22 per barrel as encouraging US durable goods coupled with higher revised US GDP data raised the global demand outlook of the commodity. In addition, the EIA as well as the API revealed a drop in the US crude oil stockpiles for the past week. The oil prices further improved after Norway's Oil Minister, Tord Lien, stated that the current price level is "unsustainable" and that there is no reason for the prices to remain "below \$55" a barrel. The black metal hit a high of USD45.90 per barrel and a low of USD37.75 per barrel in the previous week. The commodity is expected to find its first support at USD40.04 per barrel and first resistance at USD48.19 per barrel. The second support is expected at USD34.82 per barrel and second resistance at USD51.12 per barrel. [/text]