

**Source: Direct fx Broker (Review and Forex Rebates Up to 85%)**

Last week, macroeconomic data released in the US showed that the nation's final estimate of annualized GDP expanded 2.0% in 3Q 2015, down from 2.1% reported last month, continuing a sluggish trend in economic recovery. Also, the US Chicago Fed national activity index unexpectedly dropped to its lowest level since May 2015 in November. Meanwhile, the US preliminary durable goods orders remained steady in November, as the accelerated demand for autos, electronic products and fabricated metals were offset by weak demand for machinery and non-defense aircraft. Further, initial jobless claims in the week ended 19 December dropped more-than-expected to reach its lowest level in decades. In other economic news, US existing home sales plunged sharply on a monthly basis in November, marking its weakest pace in 19 months, as prices rose and new rules came into effect. Also, new home sales advanced at a slower pace than projected on a monthly basis in November, suggesting that the housing market is losing momentum as the year draws to a close. On the other hand, housing price index rose in line with investor expectations on a monthly basis in October. The Euro ended the week in the green, after the Eurozone's preliminary consumer confidence index surprisingly rose in December. Additionally, Germany's GfK consumer confidence index slightly increased in January, notching its first increase in five months, thus indicating that the nation's consumer climate is improving as the New Year fast approaches. On the other hand, the German producer

price index fell on a monthly basis in November. The British Pound ended the week on stronger footing. On the macroeconomic front, UK's GDP growth was revised downwards to 0.4% on a quarterly basis in 3Q 2015, mainly due to a less-than-expected growth in the nation's dominant services sector, alleviating some pressure on the BoE to raise interest rates in the near future. Moreover, the nation recorded its worst public sector net borrowing in two years in November, indicating that risks to the economy still persists. In contrast, Britain's current account deficit provided some respite, after surprisingly narrowed in the third quarter, touching its lowest level since 3Q 2013. Additionally, UK's BBA mortgage approvals and Gfk consumer confidence index advanced in November and December, respectively.

**EURUSD** Last week, the EUR traded 1.36% higher against the USD and closed at 1.0965. In economic news, Euro-zone's preliminary consumer confidence index unexpectedly advanced in December. Also, the German consumer confidence index marginally improved in January after four consecutive declines, buoyed by a significant upswing in economic and income expectations. On the other hand, Germany's producer price index declined on a monthly basis in November. Elsewhere, in France, the final GDP expanded by 0.3% in 3Q 2015, largely because of consumer spending which grew at the same rate. The EUR hit a high of 1.0985 and a low of 1.0848 against the USD in the previous week. The pair is expected to witness its first support at 1.0880 and second support at 1.0796, while the first

resistance is expected at 1.1017 and second resistance at 1.1070. This week, investors would look forward to the release of ECB's monetary policy meeting accounts. Additionally, Italy's consumer confidence and business confidence indices data would also be keenly watched by investors.

**GBPUSD** During the previous week, the GBP traded 0.08% higher against the USD and ended at 1.4912. On the macro front, UK's GDP growth was surprisingly revised downwards to 0.4% on a quarterly basis in 3Q 2015, mainly due to weak growth in the nation's dominant services sector. Additionally, Britain's public sector net borrowing rose more-than-expected in November, recording its worst figure in two years, signaling that risks to the UK economy persists. On the other hand, the nation's current account deficit unexpectedly narrowed in the third quarter, reaching its lowest level since 3Q 2013. Moreover, UK's BBA mortgage approvals and Gfk consumer confidence index advanced in November and December respectively. The GBP hit a high of 1.4947 and a low of 1.4806 against the USD in the previous week. Immediate downside, the first support level is seen at 1.4830, followed by 1.4747, while on the upside, the first resistance level situated in 1.4971, followed by 1.5029. Looking ahead, investors await the release of UK's nationwide housing prices index data this week.

**USDJPY** During the previous week, the USD traded 1.93% lower against the JPY and ended at 120.34. The minutes of the BoJ's latest monetary policy revealed that the nation's underlying trend in

inflation had been improving steadily. Additionally, many of the central bank's policymakers complained of slow wage and capital expenditure growth but were optimistic that companies will start to ramp up spending once emerging economies improved. A majority of the board members also agreed that that the central bank should not hesitate to expand its massive stimulus programme, if the need arises. In other economic news, Japan's national consumer price index rose 0.3% on an annual basis in November, but weak household spending still continues to stifle growth in the world's third largest economy. Moreover, the nation's unemployment rate increased to 3.3% in November, marking its first rise in three months after hitting a 20-year-low level of 3.1% in October. Further, flash industrial production in Japan dropped more-than-expected on a monthly basis in November, falling back after two months of gains as the economy struggles to mount a recovery. On the other hand, the nation's all industry activity index rebounded at a faster-than-expected pace on a monthly basis in October. The pair traded at a high of 121.52 and a low of 120.25 during the previous week. The pair is expected to find its first support at 119.88 and first resistance at 121.16. The second support is expected at 119.43 and second resistance at 121.98.

**USDCHF** Last week, the USD traded 1.04% lower against the CHF and closed at 0.9865. On the economic front, Switzerland's trade surplus narrowed in November as exports decreased compared to the previous month. Adding to this, the nation's KOF economic barometer surprisingly fell in December. During the previous week, the pair

traded at a high of 0.9971 and a low of 0.9853. Immediate downside, the first support level is seen at 0.9821, followed by 0.9778, while on the upside, the first resistance level situated in 0.9939, followed by 1.0014. Going forward, investors this week would closely monitor Switzerland's UBS consumption indicator data for further cues in the Swiss Franc.

**USDCAD** During the previous week, the USD traded 0.85% lower against the CAD and ended at 1.3832. In macroeconomic news, Canada's GDP stagnated in October following September's 0.5% decline, making the BoC's expectation of the economy to grow at 1.5% in the fourth quarter look too optimistic, which might in turn prompt the central bank to introduce another interest rate cut going into the New Year. Other economic data revealed that the nation's retail sales rebounded on a monthly basis in October, mainly driven by higher prices. During the previous week, the pair traded at a high of 1.3995 and a low of 1.3818. The pair is expected to witness its first support at 1.3768 and second support at 1.3705, while the first resistance is expected at 1.3945 and second resistance at 1.4058. Amid no economic releases in Canada this week, investor sentiment would be governed by global macroeconomic news.

**AUDUSD** The AUD strengthened against the USD last week, closing 1.98% higher at 0.7271. In economic news, Australia's CB leading indicator declined in October. The AUD hit a high of 0.7282 and a low of 0.7155 against the USD in the previous week. The pair is expected to witness its first support at 0.7189 and second support at 0.7108,

while the first resistance is expected at 0.7317 and second resistance at 0.7363. Moving ahead, market participants would look forward to the release of Australia's producer price index and private sector credit data this week.

**Gold** Gold rose last week, closing 2.38% higher at USD1076.10 per ounce, on the back of a weaker greenback. The yellow metal hit a high of USD1081.40 per ounce and a low of USD1063.10 per ounce in the previous week. Gold is expected to find support at USD1065.53 per ounce, and a fall through could take it to the next support level of USD1055.17 per ounce. The yellow metal is expected to find its first resistance at USD1083.83 per ounce, and a rise through could take it to the next resistance level of USD1091.77 per ounce.

**Crude Oil** Crude oil strengthened in the previous week, closing 9.01% higher at USD38.10 per barrel, after an unexpected decline in US oil stockpiles boosted sentiment. The Energy Information Administration (EIA) reported that US crude oil stocks surprisingly fell by 5.9 million barrels to 484.8 million barrels in the week ended 18 December, while the American Petroleum Institute (API) indicated that that US oil inventories unexpectedly dropped by 3.6 million barrels last week. Moreover, Baker Hughes report disclosed that the number of working US oil rigs fell by 3 to 538 in the week ended 23 December. Crude oil hit a high of USD38.28 per barrel and a low of USD35.35 per barrel in the previous week. Immediate downside, the first support level is seen at USD36.22 per barrel, followed by

USD34.32 per barrel, while on the upside, the first resistance level situated in USD39.15 per barrel, followed by USD40.18 per barrel.