Weekly Currency Report - Weekly Forex Update Source: Direct Fx Broker (Review and Forex Rebates Up to 85%) The greenback ended the week on a stronger footing, following hawkish remarks from the US Federal Reserve (Fed) officials supporting the case for an interest rate hike as soon as the next monetary policy meeting, scheduled for the end of April. Macroeconomic data released during the week showed that the final Q4 US Gross Domestic Product (GDP) was revised upwards to 1.4% from the initial estimate of 1.0% mainly supported by stronger personal spending on services. The report also showed that corporate profits dropped the most in seven years last year, highlighting that the US economy entered 2016 on uneven footing. Another set of economic data indicated that durable goods dropped more than expected in February, with business investment dropping by the largest amount since December due to weak global economic growth, low oil prices and financial market turbulence. Meanwhile, services sector activity in the US recovered in March after falling into contraction territory for the first time in two years. However, data failed to eliminate doubts surrounding the economy, as momentum this year remains lackluster. On the other hand, the number of Americans filing for first time jobless benefits rose less than expected last week, as the figure remained consistent with a strong labor market. Also, new home sales in the US rebounded in February, highlighting a gradually improving real estate market. The Euro lost ground against most of the major peers, as the Brussels attack overshadowed Germany’s Ifo and Euro-zone’s PMI survey data.

Data showed that the German Ifo business climate index advanced for the first time in four months suggesting that domestic demand is shielding the Euro-zone's largest economy from slowing global growth. Additionally, private sector activity in the Euro-zone improved in March, pointing that the economy has regained some momentum at the end of the first quarter. On the other hand, the Euro-zone's ZEW economic sentiment index slightly fell in March but was better than market expectations. The British Pound ended the week on a negative footing, due to uncertainty over Britain's upcoming referendum on its membership in the European Union. The possibility of "Brexit" has increased, following the Brussels terrorist attacks earlier last week. On the macroeconomic front, consumer prices in the UK rebounded less than estimated on a monthly basis while on a yearly basis it remained unchanged in February, way below the central bank's 2% target, providing another reason for the Bank of England to 'stay on hold' position for an extended period. Meanwhile, UK retail sales fell less than expected on a monthly basis in February, indicating that consumer demand remains relatively upbeat so far this year.

EURUSD Last week, the EUR traded 0.91% lower against the USD and closed at 1.1169. In economic news, the Euro-zone's Markit services and manufacturing PMI's both advanced indicating that private sector activity picked up pace in March. Meanwhile, Eurozone's current account surplus narrowed in January and the consumer confidence index fell for a third consecutive month in

March, indicating draining optimism amongst consumers. In other economic news, in Germany, the Markit services PMI advanced in March, while the manufacturing activity unexpectedly weakened for the same month. Meanwhile, Germany's ZEW economic sentiment index fell short of market expectations and the Euro-zone's economic sentiment index dropped to a 15-month low in March, as uncertainty continue to remain over the economic outlook in emerging markets. The pair traded at a high of 1.1286 and a low of 1.1144 during the previous week. The pair is expected to find support at 1.1113, and a fall through could take it to the next support level of 1.1057. The pair is expected to find its first resistance at 1.1255, and a rise through could take it to the next resistance level of 1.1341. This week, investors would focus on the Euro-zone as well as Germany's consumer price inflation data for further clues. Meanwhile, Germany's unemployment rate and retail sales data along with Euro-zone's inflation data would also be keenly watched by investors.
GBPUSD Last week, the GBP traded 2.34% lower against the USD and closed at 1.4137, as UK' inflation rate continued to stay at historically low levels. Data showed that the nation's consumer price index remained steady on a yearly basis at 0.3%, far below the BoE's inflation target of 2.0%. Meanwhile, consumer prices on a monthly basis climbed less than forecasts on a monthly basis in February, giving the BoE leeway to maintain key interest rate at a record low. Separately, retail sales in the nation declined less than expected on a monthly basis in February. The GBP hit a high of 1.4469 and a low of

1.4056 against the USD in the previous week. The pair is expected to find support at 1.3970, and a fall through could take it to the next support level of 1.3806. The pair is expected to find its first resistance at 1.4382, and a rise through could take it to the next resistance level of 1.4632. Looking ahead, investors will monitor UK's 4Q gross domestic product and the current account data for further direction. Moreover, the nation's net consumer credit and Markit manufacturing PMI will also grab significant market attention.

USDJPY The USD traded 1.42% higher against the JPY last week, with the pair closing at 113.13. The Japanese Yen lost ground, after Japan's manufacturing activity fell into contraction in March for the first time in almost a year, as output, new orders and exports all fell, suggesting that the Bank of Japan (BoJ) may soon see the requirement for further stimulus. Other economic data indicated that the all industry activity index rebounded at a faster than expected pace on a monthly basis in January, after registering a drop in the previous two months. Separately, the BoJ board member, Yukitoshi Funo, stated that the central bank will not hesitate to ease monetary policy again, if risks aggravate a fragile economic recovery. He also warned of a hit to Japanese exports and capital expenditure due to emerging market slowdown and volatile financial markets. The USD hit a high of 113.33 and a low of 111.21 against the JPY in the previous week. The pair is expected to witness its first support at 111.75 and second support at 110.42, while the first resistance is expected at 113.87 and second resistance at 114.66. Moving ahead, market participants look forward to Japan's preliminary industrial production data and the final Nikkei manufacturing PMI reading for further cues. Also, retail trade as well as housing starts data would be on trader's radar.

USDCHF During the previous week, the USD traded 0.85% higher against the CHF and ended at 0.9773. On the macroeconomic front, Switzerland's trade surplus expanded in February, from January. Meanwhile, the ZEW economic expectations index rose to a level of 2.5 in March from -5.9 in February. Another set of economic data showed that the M3 money supply in the nation edged up on a yearly basis in February. Last week, the KOF institute slashed Switzerland's GDP growth to 1.0% in 2016 from an expansion of 1.1% projected earlier on the back of global economic weakness. Meanwhile, for 2017, the economic growth outlook was kept unchanged at 2.0%. During the previous week, the pair traded at a high of 0.9789 and a low of 0.9674. The pair is expected to witness its first support at 0.9703 and second support at 0.9631, while the first resistance is expected at 0.9818 and second resistance at 0.9861. Going forward, investors this week would closely monitor Switzerland's real retail sales and the SVME PMI data to get better insights in the Swiss economy. Additionally, the nation's UBS consumption and the KOF leading indices data would grab market attention.

USDCAD The USD rose against the CAD last week, closing 1.98% higher at 1.3261, after the US economic growth was upwardly revised for 4Q15. Last week, according to a private research report, Canada's economy is projected to expand at a rate of 1.9% in 2016 and by 2.0% in 2017. Meanwhile, the nation's unemployment rate is projected to rise from 6.9% in 2015 to 7.4% and 7.3% in 2016 and 2017, respectively. During the previous week, the pair traded at a high of 1.3298 and a low of 1.3022. The pair is expected to witness its first support at 1.3094 and second support at 1.2919, while the first resistance is expected at 1.3370 and second resistance at 1.3472. Going forward, investors this week would keep a close watch on Canada's GDP as well as on the RBC manufacturing PMI data for further direction in the CAD.

AUDUSD Last week, the AUD traded 1.26% lower against the USD and closed at 0.7508. In economic news, Australian house prices rose by just 0.2% on a quarterly basis in 4Q15, compared to a rise of 2.0% in the previous quarter, indicating that the nation's property market is showing signs of cooling. Market expectation was for the index to remain flat. Separately, the Reserve Bank of Australia Governor, Glenn Stevens, stated that tighter regulatory measures adopted to slow lending to investors have cooled house price growth in the Sydney and Melbourne housing property market. The AUD hit a high of 0.7651 and a low of 0.7477 against the USD in the previous week. The pair is expected to find its first support at 0.7439 and first resistance at 0.7614. The second support is expected at 0.7371 and second resistance at 0.7720. Moving ahead, market participants look forward to Australia's AiG performance of manufacturing index and new homes sales data. **Gold** Last week, gold fell 3.05% to close at

USD1217.05 per ounce, as the greenback strengthened, after hawkish comments from the US Fed officials raised speculation about the possibility for another increase in interest rates when policymakers gather next month. Gold hit a high of USD1262.20 per ounce and a low of USD1212.60 per ounce during the previous week. Immediate downside, the first support level is seen at USD1200.13 per ounce, followed by USD1181.57 per ounce, while on the upside, the first resistance level situated in USD1249.73 per ounce, followed by USD1280.77 per ounce. **Crude Oil** Last week, crude oil traded marginally higher and ended at USD39.46 per barrel, as major oil producers are preparing for the April meeting in Qatar where the output freeze deal should be discussed. Separately, the Energy Information Administration showed that US crude oil stocks expanded by 9.4 million barrels in the last week to 532.5 million barrels and the American Petroleum Institute indicated that oil inventories rose by 8.7 million barrels to nearly 532.0 million barrels in the week ended 18 March 2016, eroding hope of an ease in the supply glut. The commodity traded at a high of USD41.90 per barrel and a low of USD38.33 per barrel in the previous week. Crude oil is expected to witness its first support at USD37.98 per barrel and second support at USD36.37 per barrel, while the first resistance is expected at USD41.55 per barrel and second resistance at USD43.51 per barrel.