

Daily Currency Report - Forex Market Update This morning, the greenback is trading mixed against most of the major currencies. The EUR is trading lower against the USD. In the ECB's economic bulletin, the central bank indicated that economic growth was expected to continue on the back of household spending and growing investments. Further, it insisted on guarding against low inflation and warned of the downside risks to the economy. The GBP is trading higher against the USD, despite UK's service sector expanding at its slowest pace in three years in April, indicating that the uncertainty over the EU referendum took its toll on the nation's economic recovery. The AUD gained ground against the USD, after Australia's trade deficit narrowed unexpectedly in March. Also, and retail sales rose strongly in March, suggesting that recent policy changes are supporting spending. Yesterday, the greenback traded higher in the New York session against the key currencies, after the non-manufacturing activity in the US advanced more-than-expected in April, indicating that the economy is regaining momentum after a sluggish start to 2016. Further, the nation's services sector expanded in April, on the back of rise in new orders and accelerated employment. Additionally, US trade deficit shrunk more-than-expected to lowest level in 16 months in March. Meanwhile, private sector employment slowed in April, registering its weakest gain in three years.

EURUSD At 09:40 GMT, the pair is trading at 1.1440, with the EUR trading 0.39% lower against USD from the New York close. Going

forward, traders will eye Germany's construction PMI scheduled to releasetomorrow. The pair witnessed a high of 1.1495 and a low of 1.1433 during the session. The Euro traded 0.10% lower against the US Dollar in the New York session yesterday, with the pair closing the session at 1.1485. The pair is expected to its find support at 1.1405 and its first resistance at 1.1503.

GBPUSD The GBP is trading at 1.4500 against the USD at 09:40 GMT, marginally higher from the New York close, after UK's Markit services PMI declined to a three-year low in April. The Pound hit a high of 1.4531 and a low of 1.4467 against the US Dollar this morning. Yesterday, the Pound traded marginally lower against the US Dollar in the New York session and ended at 1.4500. Immediate downside, the first support level is seen at 1.4460, while on the upside, the first resistance level is situated at 1.4541.

USDJPY The US Dollar is trading at 107.36 against the Yen at 09:40 GMT, 0.31% higher from the New York close. Moving ahead, market participants will keep a tab on Japan's Nikkei services PMI, scheduled to release in the early hours tomorrow. The pair traded at a high of 107.41 and a low of 106.88 this morning. Yesterday, the US Dollar traded 0.42% higher against the Yen in the New York session and ended at 107.03. Immediate downside, the first support level is seen at 106.60, while on the upside, the first resistance level is situated at 107.76.

USDCHF This morning, at 09:40 GMT, the US Dollar is trading at 0.9621 against the Swiss Franc, 0.48% higher from the New York

close. The pair witnessed a high of 0.9625 and a low of 0.9568 during the session. Yesterday, the USD traded 0.17% higher against the **CHF** in the New York session and ended at 0.9575. Immediate downside, the first support level is seen at 0.9561, while on the upside, the first resistance level is situated at 0.9653.

USDCAD At 09:40 GMT, the pair is trading at 1.2840, with the USD trading 0.23% lower against CAD from the New York close. This morning, the pair traded at a high of 1.2872 and a low of 1.2814. The US Dollar advanced against the Canadian Dollar in the New York session yesterday, closing 0.45% higher at 1.2869. In economic news, Canada's international merchandise trade deficit widened unexpectedly in March. The pair is expected to find support at 1.2754 and its first resistance at 1.2906.

AUDUSD The Australian Dollar is trading at 0.7476 against the US Dollar at 09:40 GMT, 0.23% higher from the New York close. Earlier in the session, data showed that Australia's trade deficit narrowed more-than-expected in March. The pair witnessed a high of 0.7516 and a low of 0.7457 during the session. The Australian Dollar traded 0.26% lower against the US Dollar in the New York session yesterday, with the pair closing the session at 0.7459. The pair is expected to find support at 0.7443 and its first resistance at 0.7512.

Gold The precious metal is trading at \$1278.30 per ounce at 09:40 GMT this morning, 0.25% lower from the New York close. This morning, the precious metal traded at a high of \$1285.20 per ounce

and a low of \$1276.30 per ounce. Yesterday, gold traded 0.54% lower in the New York session and closed at \$1281.50 per ounce, as a stronger US Dollar, reduced demand for the precious yellow metal. Gold has its first support at \$1270.67 per ounce and its first resistance at \$1288.87 per ounce.

Silver The precious metal is trading at \$17.41 per ounce at 09:40 GMT this morning, 0.06% lower from the New York close. During the session, silver traded at a high of \$17.54 per ounce and a low of \$17.37 per ounce. In the New York session yesterday, silver fell 0.20% and closed at \$17.42 per ounce, tracking gains in gold prices. Silver has its first support at \$17.23 per ounce and its first resistance at \$17.56 per ounce.

Oil The commodity is trading at \$45.09 per barrel at 09:40 GMT this morning, 1.99% higher from the New York close. Crude oil hit a high of \$45.31 per barrel and a low of \$44.01 per barrel during the session. In the New York session yesterday, crude oil fell 0.41% to close at \$44.21 per barrel, after the US Energy Department reported that US crude oil inventories rose more than expected by 2.78mn bls last week to 543.4mn bls, thus resurfacing oversupply concerns. Immediate downside, the first support level is seen at \$43.77 per barrel, while on the upside, the first resistance level is at \$45.86 per barrel.

Economic Snapshot

UK services PMI declined in April The services PMI in the UK dropped to 52.30 in April, compared to a reading of 53.70 in the

previous month. Market anticipation was for the services PMI to drop to a level of 53.50.

UK official reserves registered a rise in April In April, official reserves climbed \$728.00 million in the UK. In the previous month, official reserves had registered a rise of \$756.00 million.

Chinese Caixin/Markit services PMI index recorded a drop in April The Caixin/Markit services PMI index recorded a drop to 51.80 in April, in China, compared to a reading of 52.20 in the previous month.

Australian retail sales rose more than expected in March In March, the seasonally adjusted retail sales rose 0.40% in Australia on a MoM basis, more than market expectations for an advance of 0.30%. In the previous month, retail sales had registered a revised rise of 0.10%.

Australian new home sales recorded a rise in March In Australia, new home sales advanced 8.90% in March on a MoM basis. New home sales had dropped 5.30% in the prior month.

Australian trade deficit dropped in March In March, the seasonally adjusted trade deficit in Australia fell to A\$2163.00 million, compared to a revised trade deficit of A\$3044.00 million in the previous month. Markets were anticipating the nation to post a trade deficit of A\$2900.00 million. **Source:** [Direct Fx Broker](#)

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