Weekly Currency Report - The highlight of the week was the US downbeat non-farm payrolls figures. Macroeconomic data indicated that the US economy added less than expected jobs in April, the lowest gain in seven months, while unemployment rate unexpectedly remained unchanged at 5.0% in the same month, thus giving rise to possibilities that the Fed would not hike rates anytime soon. Further, the ADP employment change indicated that the US private sector added less jobs in April, its weakest increase in three years. However, the average hourly earnings climbed on a monthly basis and annual basis in April. Meanwhile, the US ISM manufacturing index expanded at a slower pace in April, as fewer signs of a pickup in activity were observed. Moreover, the Markit manufacturing PMI showed hardly any improvement in April but remained in expansion territory. Additionally, the number of Americans applying for fresh unemployment benefits increased to its highest level in five weeks in the week ended April 30. In other economic news, the trade deficit shrunk more-than-expected in March, with the imports falling to its lowest level since 2010. Further, construction spending rose in March, to its highest level since October 2007. Moreover, the Markit survey indicated that the services sector expanded more-than-estimates in April. Additionally, the ISM non-manufacturing PMI climbed higher than market estimates in April, indicating that the service activity in the nation is gaining pace. Separately, factory orders rose more-than-expected in March, as orders showed stronger demand from the defense category, while durable goods orders rose in the same month. Furthermore, the US consumer credit climbed higher-than-market expectations in March, growing at its fastest pace since 2001. The Euro ended the week on a lower note, after the European commission in its economic forecasts slashed the economic outlook and expected the GDP to grow 1.6% from the earlier projection of 1.7% and for 2017, it expects the growth to expand 1.8% from the earlier 1.9%. On the other hand, ECB's economic bulletin suggested continued economic recovery in the Eurozone on the back of household consumption and rebounding investments, while warned of the risks tilting to the downside. Macroeconomic data indicated that Eurozone's services PMI remained unchanged in April from March, while Germany's services PMI nudged lower in the same month. Moreover, retail sales in the Eurozone saw a drop on a monthly basis in March, declining for the first time in five months. Separately, Eurozone's manufacturing activity edged higher in April, indicating positive signs in the manufacturing activity, while Germany's manufacturing PMI eased surprisingly in the same month.

EURUSD Last week, the EUR traded 0.4% lower against the USD and closed at 1.1404, after Germany's services PMI expanded at a slower pace in April. Moreover, Eurozone's services PMI declined in April, against market expectations of an unchanged reading, while the composite PMI remained unchanged in the same month. Additionally, Eurozone's retail sales dropped on a monthly basis in March, signaling that the first quarter ended on a weaker note for the retail sector. In other economic news, the manufacturing PMI in the

Eurozone expanded slightly in April, showing little acceleration in activity of the manufacturing sector. Meanwhile, the manufacturing activity in Germany slowed in April. On the other hand, Eurozone's producer prices advanced on a monthly basis in March, recording its first rise in nearly a year. During the previous week, the pair traded at a high of 1.1617 and a low of 1.1386. The pair is expected to witness its first support at 1.1321 and second support at 1.1238, while the first resistance is expected at 1.1552 and second resistance at 1.1699. This week, investors would focus on Eurozone's gross domestic product, industrial production and Sentix investor confidence for further cues. Additionally, Germany's gross domestic product, consumer price index and industrial production will grab market attention. Moreover, German factory orders and trade balance data will be on investors' radar.

GBPUSD The GBP declined against the USD last week, closing 1.21% lower at 1.4431, after the release of dismal services and manufacturing PMI data in the UK. UK's manufacturing activity contracted for the first time in three years in April, entering the contraction territory, indicating more fears over the economic health of the nation. Moreover, the construction sector grew at its slowest pace in April in nearly three years. Additionally, the services sector expanded at a slower pace April, registering its lowest level since February 2013, with the overall outlook for the economy remaining weaker, ahead of the upcoming EU referendum in June. During the previous week, the pair traded at a high of 1.4772 and a low of

1.4415. The pair is expected to find support at 1.4304, and a fall through could take it to the next support level of 1.4181. The pair is expected to find its first resistance at 1.4661, and a rise through could take it to the next resistance level of 1.4894. Looking ahead, investors will closely watch the Bank of England's interest rate decision, the quarterly inflation report and the BoE minutes for further direction in the Pound. Moreover, UK's industrial & manufacturing production and the NIESR GDP estimate along with the total trade balance will be looked upon by the investors'.

USDJPY During the previous week, the USD traded 0.61% higher against the JPY and ended at 107.12. On the data front, the Nikkei manufacturing PMI contracted in April, as output fell the most in two years. Moreover, the services sector contracted at its fastest pace in two years in April, indicating that the economy might be losing momentum. The USD hit a high of 107.50 and a low of 105.55 against the JPY in the previous week. The pair is expected to witness its first support at 105.94 and second support at 104.77, while the first resistance is expected at 107.90 and second resistance at 108.68. Looking ahead, market participants look forward to the Japan's consumer confidence index, trade balance, the leading economic and coincident indices data, all scheduled for release this week.

USDCHF The USD rose against the CHF last week, closing 1.33% higher at 0.9727. On the data front, Switzerland's real retail sales declined on a yearly basis in March, falling for a straight eighth month. Moreover, the SECO consumer climate fell more-than-expected for the second quarter, indicating pessimism amongst the consumers about the economic conditions. On the other hand, Switzerland's foreign currency reserves rose in April. During the previous week, the pair traded at a high of 0.9730 and a low of 0.9444. The pair is expected to find its first support at 0.9536 and first resistance at 0.9822. The second support is expected at 0.9347 and second resistance at 0.9919. Going forward, investors this week would closely monitor Switzerland's consumer price index and unemployment rate for further cues in the Swiss Franc.

USDCAD Last week, the USD traded 2.82% higher against the CAD and closed at 1.2909. In economic news, Canada's RBC manufacturing PMI expanded in April, registering its strongest reading since December 2014. Moreover, Canada's unemployment rate remained steady at 7.1% in April from March, against market expectation of a rise to 7.2%. Meanwhile, the nation's international merchandise trade deficit widened to a new record in March, as exports fell sharply in the same month. The USD hit a high of 1.2953 and a low of 1.2461 against the CAD in the previous week. The pair is expected to find its first support at 1.2595 and first resistance at 1.3088. The second support is expected at 1.2282 and second resistance at 1.3267. Moving ahead, market participants would concentrate on Canada's housing starts and new housing price index further direction.

AUDUSD The AUD traded 3.09% lower against the USD last week, with the pair closing at 0.7367, after the Reserve Bank of Australia slashed the key interest rate by 25 basis points to 1.75%, its first rate cut in almost a year. The rate cut was expected due to the pressures from lower-than-expected inflation figures. Further, in its quarterly statement, the central bank slashed its outlook on the core inflation as it now expected to be 1-2% in 2016, down from the its 2-3% forecast in February. Meanwhile, the RBA expected the GDP figures to remain steady and the unemployment will remain around the current 5.7%, while added that it will adjust policy measures when required. In other economic news, Australia's NAB business confidence and business conditions both eased in April. Moreover, the performance of services index advanced marginally in April, but was stuck in contraction. Meanwhile, Australia's retail sales rose more-than-expected on a monthly basis in March. Further, the nation's trade balance narrowed more-than-market estimates in the same month. Additionally, the performance of manufacturing index expanded at a slower pace in April and the performance of construction index rose in the same month, entering the expansion territory. The AUD hit a high of 0.7721 and a low of 0.7338 against the USD in the previous week. The pair is expected to witness its first support at 0.7229 and second support at 0.7091, while the first resistance is expected at 0.7612 and second resistance at 0.7858. Moving ahead, market participants will keep a watch on investment lending for homes, Westpac consumer confidence and consumer inflation expectation for further direction.

Gold During the previous week, gold traded 0.35% lower and ended at USD1288.99 per ounce, amid a broad strength in the US Dollar, reduced demand for the safe-haven asset. However, gold prices pared its losses, after the US economy added less than expected jobs in April, raising doubts on whether the Fed will raise interest rates before the end of 2016. The yellow metal hit a high of USD1306.00 per ounce and a low of USD1270.60 per ounce in the previous week. The precious metal is expected to find its first support at USD1271.53 per ounce and first resistance at USD1306.93 per ounce. The second support is expected at USD1253.37 per ounce and second resistance at USD1324.17 per ounce.

Crude Oil Crude oil weakened in the previous week, closing 2.74% lower at USD44.66 per barrel, as persistent concerns surrounding the global crude glut, weighed on the commodity. Moreover, the American Petroleum Institute (API) reported that crude oil inventories rose less than analyst estimates by 3.1mn bls last week, while the US Energy Department reported that crude oil inventories rose more than expected by 2.78mn bls last week to a level of 543.4mn bls. Crude oil witnessed a high of USD46.15 per barrel and a low of USD43.22 per barrel last week. The commodity is expected to find its first support at USD43.14 per barrel and first resistance at USD46.07 per barrel. The second support is expected at USD41.71 per barrel and second resistance at USD47.57 per barrel. **Source:** Direct Fx broker (Review and Forex Rebates Up to 85%)