

Weekly Forex Update - Last week, the greenback traded mostly lower. Macroeconomic data indicated that the US economic growth at an annual rate was revised higher in the first quarter of 2016, backed by a rise in exports and growth in business investment. Moreover, consumer confidence advanced to its highest level of the year in June. Further, consumer spending advanced for a second straight month in May, backed by increasing demand for automobiles and other goods, while personal income advanced at a slower pace on a monthly basis in May. Additionally, ISM manufacturing activity grew at its fastest pace in 15 months in June, as the index reached its highest level since February 2015. Moreover, the final Markit manufacturing PMI was revised slightly lower in June. In more economic news, growth in US services sector remained subdued in June. Moreover, Americans applying for the new unemployment benefits advanced slightly more than market expectations during last week. Further, construction spending dropped on a monthly basis in May. The Euro ended the week on a strong footing, after Eurozone's consumer prices rose for the first time in five months in June, indicating that the ECB's efforts were beginning to show some impact. Moreover, manufacturing sector expanded in June, to a six-month high on the back of new orders and output. Further, the region's unemployment rate declined to reach its lowest level since July 2011, indicating a positive sentiment in jobs market. Additionally, private loans advanced on an annual basis in May. Meanwhile, economic sentiment indicator edged lower in June, while

services sentiment index declined more than market expectations in the same month. Further, consumer confidence slipped in June. Separately, European Central Bank (ECB) Chief, Mario Draghi urged major central banks to coordinate their policies to tackle the shared problem of ultralow inflation. Elsewhere, Germany's consumer prices advanced at a slower pace in June. Moreover, unemployment rate steadied in June. Further, manufacturing output growth hit a 28-month high in June. Additionally, German GfK consumer confidence increased in July, while retail sales rebounded in May. The Pound ended the week in red, after the Bank of England (BoE) Governor, Mark Carney warned that uncertainty regarding Brexit would weigh on the country's economic growth and an interest rate cut and other stimulus measures will be required. Macroeconomic data indicated that UK's economy grew in line with previous estimates in the first three months of 2016. On the other hand, business investment in the nation dropped in the first quarter of 2016. Moreover, current account deficit expanded more-than-expected in the same period. Further, the GfK consumer confidence index remained in the negative territory in June. Additionally, Britain's manufacturing sector expanded at its fastest rate in five months in June.

EURUSD Last week, the EUR traded 0.17% higher against the USD and closed at 1.1136, after Eurozone's preliminary consumer price index climbed on an annual basis in June, making its way out of the deflation. Furthermore, the region's unemployment rate fell in line with market estimates in May. Moreover, Markit manufacturing PMI

advanced slightly more-than market expectations in June. On the other hand, Eurozone's economic sentiment indicator edged lower in June, while consumer confidence steadied in the same month. Additionally, services sentiment index eased more-than-expected in June. In other economic news, Germany's Markit manufacturing activity advanced slightly more-than-expected in June. Moreover, retail sales rebounded sharply on a monthly basis in May. Further, GfK consumer confidence increased more than analyst estimates for July. Additionally, unemployment rate remained steady at par with market expectations in June. Meanwhile, the preliminary reading indicated that the consumer prices grew less-than-expected in June. The EUR hit a high of 1.1169 and a low of 1.0971 against the USD in the previous week. The pair is expected to find its first support at 1.1015 and first resistance at 1.1213. The second support is expected at 1.0894 and second resistance at 1.1290. This week, investors would focus on the Markit's survey of services PMI across the Eurozone and ECB's account of monetary policy meeting will be keenly watched by investors'. Additionally, Germany's industrial production, factory orders and trade balance will attract market attention.

GBPUSD Last week, the GBP traded 3.01% lower against the USD and closed at 1.3267, following dovish comments from the BoE Governor, Mark Carney. Macroeconomic data indicated that UK's final gross domestic product advanced at par with market expectations in the first three months of 2016. On the other hand,

total business investment dropped on a quarterly basis in 1Q 2016. Additionally, GfK consumer confidence index fell in June. Meanwhile, net consumer credit advanced more-than-expected in May, while current account deficit narrowed slightly in the first quarter. Moreover, Britain's manufacturing sector advanced more-than-expected in June. Separately, CBI retail sales eased on a monthly basis in June. During the previous week, the pair traded at a high of 1.3534 and a low of 1.3121. Immediate downside, the first support level is seen at 1.3081, followed by 1.2894, while on the upside, the first resistance level situated in 1.3494, followed by 1.3720. Looking ahead, investors will look forward to UK's NIESR gross domestic product estimate and Markit's services PMI for further direction. Moreover, UK's industrial and manufacturing production and total trade balance along with financial stability report will generate a lot of market attention.

USDJPY The USD traded 0.29% higher against the JPY last week, with the pair closing at 102.52. On the economic front, Japan's unemployment rate remained steady in May, at par with market expectations. Moreover, national consumer prices continued to decline on an annual basis in May, putting some pressure on the Bank of Japan to provide some additional stimulus in order to stabilize inflation. Further, the nation's industrial output dropped more-than-expected on a monthly basis in May. Additionally, consumer confidence index advanced more-than-expected in June, yet remained in contraction territory. Moreover, the nation's Nikkei

manufacturing PMI contracted in June. During the previous week, the pair traded at a high of 103.39 and a low of 101.41. The pair is expected to witness its first support at 101.49 and second support at 100.46, while the first resistance is expected at 103.47 and second resistance at 104.42. Moving ahead, market participants look forward to Japan's leading and coincident indices and trade balance, all scheduled for release this week. Moreover, investors will focus on Bank of Japan Governor, Kuroda's speech for further cues.

USDCHE The USD traded 0.13% higher against the CHF last week, with the pair closing at 0.9733. In economic news, Switzerland's UBS consumption indicator advanced in May, while KOF leading indicator edged up in June. Moreover, real retail sales dropped on an annual basis in June. Further, SVME purchasing managers' index expanded at a slower pace in June. During the previous week, the pair traded at a high of 0.9837 and a low of 0.9711. Immediate downside, the first support level is seen at 0.9684, followed by 0.9634, while on the upside, the first resistance level situated in 0.9810, followed by 0.9886. Going forward, investors this week would closely monitor Switzerland's consumer price inflation data, foreign currency reserves and unemployment rate for further cues in the Swiss Franc.

USDCAD During the previous week, the USD traded 0.71% lower against the CAD and ended at 1.2912. On the data front, Canadian economy expanded at par with market expectations in April. Moreover, industrial product price rebounded more-than-expected on a monthly basis in May. During the previous week, the pair traded at

a high of 1.3120 and a low of 1.2866. The pair is expected to find support at 1.2812, and a fall through could take it to the next support level of 1.2712. The pair is expected to find its first resistance at 1.3066, and a rise through could take it to the next resistance level of 1.3220. Moving ahead, market participants would concentrate on Canada's unemployment rate, international merchandise trade as well as building permits and housing starts data for further direction in the CAD.

AUDUSD Last week, the AUD traded 0.43% higher against the USD and closed at 0.7498. On the economic front, Australia's private sector credit advanced on a monthly basis in May. Moreover, growth in the manufacturing sector expanded in June, notching its 12 consecutive expansion to record the longest unbroken period of growth in a decade. Further, new home sales dropped on a monthly basis in May. The pair traded at a high of 0.7503 and a low of 0.7325 during the previous week. The pair is expected to find its first support at 0.7381 and first resistance at 0.7559. The second support is expected at 0.7264 and second resistance at 0.7620. Moving ahead, market participants will keep a close watch on RBA's interest rate decision and retail sales as well as trade balance data. Further, traders will watch the AiG performance of construction index scheduled for the week.

Gold Gold traded 1.95% higher during the previous week, closing at USD1341.35 per ounce, as the greenback weakened, increasing demand for the precious yellow metal. The yellow metal witnessed a

high of USD1347.00 per ounce and a low of USD1308.20 per ounce in the previous week. Immediate downside, the first support level is seen at USD1319.73 per ounce, followed by USD1294.57 per ounce, while on the upside, the first resistance level situated in USD1358.53 per ounce, followed by USD1372.17 per ounce.

Crude Oil Last week, crude oil strengthened 2.83% to close at USD48.99 per barrel, amid signs of a decline in US crude oil inventories. Moreover, the US Energy Department reported that crude oil stockpiles fell by 4.1mn bls last week and American Petroleum Institute (API) reported that crude oil inventories declined 3.9mn bls last week. Crude oil hit a high of USD50.00 per barrel and a low of USD45.83 per barrel in the previous week. Crude oil is expected to find support at USD46.74 per barrel, and a fall through could take it to the next support level of USD44.20 per barrel. The yellow metal is expected to find its first resistance at USD50.91 per barrel, and a rise through could take it to the next resistance level of USD52.54 per barrel. **Source:** [Direct Fx Broker \(Review and Forex Rebates Up to 85%\)](#)