Weekly Currency Report - The highlight of the week was European Central Bank's (ECB) monetary policy decision. The ECB, in a widely expected move, left its key interest rate unchanged at a record low of 0.00% and its asset purchase program unchanged at €80 billion. However, the ECB President, Mario Draghi, signaled that, if found necessary, ECB may boost stimulus later this year, once it has a clearer picture of the economic damage created from the historic Brexit vote. Further, he highlighted that headwinds to the region's economic recovery include the Brexit vote and other geopolitical uncertainties. In other economic news, data indicated that activity in the Eurozone's manufacturing sector expanded at a slower pace in July while activity in service sector expanded at the slowest pace since January 2015 in July. Separately, in Germany, the flash Markit services PMI unexpectedly advanced to a two-month high level in July. Also, the nation's preliminary manufacturing PMI recorded its two-month low level yet remained in the expansion territory in the same month. Macroeconomic data released during the week showed that the US preliminary Markit manufacturing PMI advanced more than forecasted to a nine-month high level in July, highlighting that the nation's manufacturing sector is proving to be a bright spot in the economy. Also, the number of Americans applying for initial jobless benefits unexpectedly declined to a three-month low level in the week ended 16 July, indicating that the nation's labor market regained lost momentum. Further, housing starts rebounded strongly on monthly basis in June. Also, building permits rose more than anticipated on a monthly basis in June. Additionally, the nation's existing home sales surprisingly advanced at the strongest pace in nearly a decade on a monthly basis in June, buoyed by low mortgage rates and an improving economy. Further, the CB leading indicator rebounded in June. The Pound ended the week on a weaker footing, after data indicated that UK's economic activity entered into contraction territory, in the wake of Britain's decision to leave the European Union `(EU). The flash Markit services PMI declined in July, recording its worst reading since March 2009. Also, the preliminary manufacturing PMI declined to its lowest level since February 2013 in July. Separately, the International Monetary Fund (IMF), lowered its global growth outlook for 2016 and 2017, as UK's historic decision to leave the EU last month influenced consumer confidence and investor sentiment. The IMF now projects global economy to grow at 3.1% in 2016 and 3.4% in 2017. **EURUSD** The EUR traded 0.53% lower against the USD last week, with the pair closing at 1.0977. In economic news, the ECB, in a widely expected move, held its benchmark interest rate unchanged at 0.00%. In other economic news, Eurozone's flash services PMI eased more than expected in July. Additionally, the preliminary manufacturing PMI declined in the same month. Also, the nation's ZEW economic sentiment index dropped in July. Moreover, the preliminary consumer confidence index fell in the same month. Also, seasonally adjusted construction output eased on a monthly basis in May. Further, seasonally adjusted current account surplus declined in the same month. Meanwhile, Germany's Markit services PMI unexpectedly advanced in July. The manufacturing PMI fell less than expected in July. In addition, the nation's ZEW survey of economic sentiment index slid in July. The EUR hit a high of 1.1084 and a low of 1.0956 against the USD in the previous week. The pair is expected to find its first support at 1.0927 and first resistance at 1.1055. The second support is expected at 1.0878 and second resistance at 1.1134. This week, investors would focus on Eurozone's preliminary 2Q GDP, flash consumer confidence index, unemployment rate and economic sentiment indicator. Additionally, Germany's unemployment rate, preliminary consumer price index, Gfk consumer confidence survey, Ifo expectations and business climate index data, all slated to release this week, would keep investor's on their toes.   **GBPUSD** The GBP traded 0.63% lower against the USD last week, with the pair closing at 1.3109, after UK's flash Markit services PMI deteriorated in July while the preliminary manufacturing PMI declined less than anticipated in the same month. Also, retail sales fell on a monthly basis in June. In other economic news, UK's consumer price index advanced on a monthly basis in June, in line with market expectations. Also, the ILO unemployment rate unexpectedly eased to an eleven-year low level of 4.9% in the three months to May. The GBP hit a high of 1.3315 and a low of 1.3065 against the USD in the previous week. The pair is expected to find its first support at 1.3011 and first resistance at 1.3261. The second support is expected at 1.2913 and second resistance at 1.3413. Looking ahead, investors would anxiously await the release of UK's flash GDP and Gfk consumer confidence data, scheduled to be released this week. **USDJPY** The USD advanced against the JPY last week, closing 1.19% higher at 106.13. In economic news, Japan's merchandise trade balance posted a better than expected surplus in June. On the contrary, exports dropped for ninth straight month on an annual basis in June while the annual imports recorded its eighteenth straight fall in the same month. Further, the preliminary Nikkei manufacturing PMI rose in July. Also, the nation's all industry activity index fell less than expected on a monthly basis in May. Moreover, final machine tool orders eased on an annual basis in June. Moreover, the final coincident index and leading economic index eased in May. During the previous week, the pair traded at a high of 107.49 and a low of 105.27. The pair is expected to find its first support at 105.10 and first resistance at 107.32. The second support is expected at 104.08 and second resistance at 108.52. Meanwhile, BoJ's interest rate decision along with Japan's consumer price index, unemployment rate, flash industrial production, BoJ outlook report and trade balance data, due to release this week, would garner a lot of market attention. **USDCHF** During the previous week, the USD traded 0.45% higher against the CHF and ended at 0.9871. On the data front, Switzerland's ZEW survey of economic expectations index declined in July. Additionally, trade surplus narrowed in June while the nation's exports and imports dropped on a monthly basis in June. The USD hit a high of 0.9907 and a low of 0.9812 against the CHF in the previous week. The pair is expected to find its first support at 0.9820 and first resistance at 0.9915. The second support is expected at 0.9768 and second resistance at 0.9958. Moving ahead, this week investors will look forward to the release of Switzerland's UBS consumption indicator and KOF Leading Indicator data. **USDCAD** The USD traded 1.18% higher against the CAD last week, with the pair closing at 1.3127. In economic news, Canada's annual consumer price index unexpectedly remained steady in June. Meanwhile, on a monthly basis, the consumer price index rose higher than market expectations in the same month. Additionally, the nation's retail sales surprisingly rose on a monthly basis in May, thus providing optimism to the economy struggling with lower commodity prices. During the previous week, the pair traded at a high of 1.3185 and a low of 1.2927. The pair is expected to find support at 1.2974, and a fall through could take it to the next support level of 1.2822. The pair is expected to find its first resistance at 1.3232, and a rise through could take it to the next resistance level of 1.3338. Going forward, Canada's GDP, CFIB business barometer and industrial product price data, all scheduled to be released this week, would garner a lot of market attention. **AUDUSD** Last week, the AUD traded 1.53% lower against the USD and closed at 0.7462. The minutes of the latest monetary policy meeting from the RBA indicated that policymakers left the door open for further rate cuts in the future, depending on fresh information on inflation, jobs and the property market. Further, it reiterated that rising Australian Dollar could complicate economic rebalancing. In other economic news, Australia's business confidence index fell in 2Q 2016. Also, the Westpac leading index dropped on a monthly basis in June. The AUD hit a high of 0.7607 and a low of 0.7443 against the USD in the previous week. The pair is expected to witness its first support at 0.7401 and second support at 0.7340, while the first resistance is expected at 0.7565 and second resistance at 0.7668. Looking ahead, investors will focus on Australia's consumer price index data, the sole important domestic macroeconomic data release in this week. **Gold** Last week, gold fell 1.1% to close at USD1322.73 per ounce, as gains in global equity markets and stronger greenback, reduced demand for the safe haven yellow metal. Last week, the precious metal traded at a high of USD1346.20 per ounce and a low of USD1318.50 per ounce. The precious metal is expected to find its first support at USD1317.00 per ounce and first resistance at USD1344.70 per ounce. The second support is expected at USD1303.90 per ounce and second resistance at USD1359.30 per ounce. **Crude Oil** Last week, crude oil traded 3.83% lower and ended at USD44.19 per barrel, amid rising concerns over global supply glut. Separately, the Energy Information Administration (EIA) disclosed that US crude stockpiles fell 2.3 million barrels to 519.6 million barrels during the week ended 15 July, falling for ninth consecutive week, while the American Petroleum Institute (API) indicated that US crude inventories declined by 2.3 million barrels to 520.8 million barrels last week. Crude oil hit a high of USD46.80 per barrel and a low of USD43.74

per barrel in the previous week. Crude oil is expected to witness its first support at USD43.07 per barrel and second support at USD41.87 per barrel, while the first resistance is expected at USD46.13 per barrel and second resistance at USD47.99 per barrel.

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