**Weekly Currency Report** - Last week, the forex market was dictated by the monetary policy decisions from the US Fed and the Bank of Japan (BoJ). The US Fed, for the fifth consecutive time, maintained its key interest rate unchanged at 0.5%, in line with market expectations, as policymakers await for more evidence of a pickup in inflation. In a policy statement post-meeting, the central bank stated that robust economic data in the US hinted that near-term risks to the US economic outlook have diminished, as the bank cited improvements in the labor market, thus suggesting that the economy is on more solid footing to withstand a rate hike as soon as in September. Further, the bank also reiterated that it continues to closely monitor inflation indicators and global economic and financial developments. In other economic news, the preliminary annualized GDP data indicated that the US economy grew less than expected by 1.2% on a quarterly basis in 2Q 2016. Also, new home sales rebounded at the fastest pace in more than eight years on a monthly basis in June. Further, the flash Markit services PMI unexpectedly expanded at a slower pace in July. On the other hand, the nation's consumer confidence index fell slightly in July, highlighting that consumer spending has been relatively resilient despite global economic turmoil. Further, the flash durable goods orders slid more than anticipated on a monthly basis in June. The Japanese Yen lost ground, after the BoJ announced a modest dose of monetary stimulus. The central bank, in its latest monetary policy meeting, held its key interest rate steady at -0.1% and maintained its monetary base at an annual pace of ¥80 trillion. Nevertheless, the central bank nearly doubled its purchase of exchange-traded funds to ¥6.0 trillion annually, up from ¥3.3 trillion. Other macroeconomic data released in Japan indicated that, Japan's unemployment rate dropped unexpectedly to a 21-year low level of 3.1% in June, suggesting willingness from companies' to hire more people in a tighter labor market. Moreover, the industrial production rebounded strongly on a monthly basis in June. On the other hand, the nation's annual consumer price index fell in June, at par with market expectations. The Euro traded higher against the USD, after Eurozone's preliminary consumer price index rose more than forecasted to an eight-month high level on an annual basis in July, aided mainly by higher prices of food, alcohol and tobacco products. Additionally, the region's preliminary gross domestic product data indicated that Euro-zone's economy expanded by 0.3% on a quarterly basis in 2Q 2016, at par with investor consensus. Also, the region's unemployment rate remained steady at 10.1% in June, in line with market expectations. **EURUSD** Last week, the EUR traded 1.79% higher against the USD and closed at 1.1174, after preliminary consumer price index in the Euro-zone rose more than expected on an annual basis in July. Additionally, the region's preliminary GDP expanded by 0.3% on a quarterly basis in 2Q 2016. Also, the unemployment rate remained steady at 10.1% in June, in line with market consensus. Further, the final consumer confidence index remained steady in July. Separately, Germany's flash consumer price index advanced on a monthly basis in July. Also, the nation's seasonally adjusted unemployment rate remained steady at a record low level of 6.1% in July, at par with market expectations. Additionally, the current assessment index unexpectedly rose in July. On the other hand, the nation's Gfk consumer confidence index fell in August. Moreover, Ifo business climate and business expectations indices dropped less than expected in July. During the previous week, the pair traded at a high of 1.1197 and a low of 1.0952. The pair is expected to find support at 1.1018, and a fall through could take it to the next support level of 1.0863. The pair is expected to find its first resistance at 1.1263, and a rise through could take it to the next resistance level of 1.1353. Moving ahead, investors will look forward to final Markit manufacturing and services PMI for July across the Eurozone, scheduled to release this week. Also, Germany's construction PMI and factory orders data, will also be on investor's radar. **GBPUSD** The GBP traded 0.92% higher against the USD last week, with the pair closing at 1.3230, after UK's preliminary GDP estimate expanded more than expected by 0.6% on a quarterly basis in 2Q 2016. Additionally, seasonally adjusted house prices unexpectedly climbed on a monthly basis in July. On the other hand, the nation's Gfk consumer confidence index fell more than expected in July. Also, mortgage approvals for house purchases fell more than forecasted in June. In other economic news, CBI's Industrial Trends Survey disclosed that optimism fell sharply in UK, mainly due to the Brexit vote, while expectations that total new orders will rise are at their lowest level since January 2012. The survey indicated that, 52% of firms were less optimistic about the general business situation compared to three months ago, while 5% of businesses were more optimistic, leaving a balance of -47%. The GBP hit a high of 1.3301 and a low of 1.3058 against the USD in the previous week. The pair is expected to witness its first support at 1.3092 and second support at 1.2953, while the first resistance is expected at 1.3335 and second resistance at 1.3439. Going forward, investors would closely monitor BoE's interest rate decision along with UK's final Markit manufacturing, services and construction PMI data all for July. **USDJPY** During the previous week, the USD traded 3.83% lower against the JPY and ended at 102.06. Last week, the Bank of Japan (BoJ) held its key interest rate steady at -0.1% and maintained its monetary base at an annual pace of ¥80 trillion. In other economic news, Japan's unemployment rate fell unexpectedly to a level of 3.1% in June. Additionally, the nation's industrial production rebounded more than expected on a monthly basis in June. On the other hand, the nation's annual consumer price index (CPI) fell by 0.4% in June, at par with market expectations. Moreover, household spending eased more than forecasted on an annual basis in June. Further, the nation's housing starts dropped less than expected on an annual basis in June. The USD hit a high of 106.72 and a low of 101.97 against the JPY in the previous week. The pair is expected to find support at 100.45, and a fall through could take it to the next support level of 98.83. The pair is expected to find its first resistance at 105.20, and a rise through could take it to the next resistance level of 108.33. Looking ahead, market participants would await the release of BoJ's monetary policy meeting minutes accompanied with Japan's final Nikkei manufacturing and services PMI, consumer confidence, leading and coincident indices data all due this week.

**USDCHF** Last week, the USD traded 1.78% lower against the CHF and closed at 0.9695. Macroeconomic data indicated that, Switzerland's UBS consumption indicator edged up in June. Moreover, the KOF leading indicator advanced slightly in July. The pair traded at a high of 0.9950 and a low of 0.9636 during the previous week. Immediate downside, the first support level is seen at 0.9571, followed by 0.9446, while on the upside, the first resistance level situated in 0.9885, followed by 1.0074. This week, investors would focus on the release of Switzerland's real retail sales, SVME purchasing managers' index and SECO consumer confidence data.

**USDCAD** The USD traded 0.74% lower against the CAD last week, with the pair closing at 1.3030. In economic news, Canada's gross domestic product (GDP) dropped more than expected by 0.6% on a monthly basis in May, contracting at the fastest pace in more than seven years as wildfires in northern Alberta led to a sharp fall in oil production. Meanwhile, on an annual basis, the GDP rose less than anticipated by 1.0% in May. The USD hit a high of 1.3253 and a low of 1.3002 against the CAD in the previous week. Immediate downside, the first support level is seen at 1.2937, followed by 1.2844, while on the upside, the first resistance level situated in 1.3188, followed by 1.3346. Looking ahead, investors would anxiously await Canada's unemployment rate, RBC manufacturing PMI and Ivey purchasing managers index data, all slated to be released this week. **AUDUSD** The AUD traded 1.8% higher against the USD last week, with the pair closing at 0.7596. In economic news, data indicated that Australia's annual consumer price index advanced at the slowest pace since 1999. Meanwhile, on a quarterly basis, the consumer price index climbed in 2Q 2016, at par with investor expectations. Further, the nation's AiG performance of manufacturing index advanced in July. On the contrary, the nation's import price index surprisingly eased on a quarterly basis in 2Q 2016. Also, the export price index climbed less than forecasted on a quarterly basis in 2Q 2016. Moreover, the HIA new home sales rose on a monthly basis in June. The pair traded at a high of 0.7610 and a low of 0.7421 during the previous week. The pair is expected to find support at 0.7475, and a fall through could take it to the next support level of 0.7353. The pair is expected to find its first resistance at 0.7664, and a rise through could take it to the next resistance level of 0.7731. Moving ahead, market participants look forward to RBA's interest rate decision along with Australia's AiG performance of manufacturing, services and construction indices, along with trade balance and retail sales data, all scheduled to be released this week. **Gold** Gold rose last week, closing 2.16% higher at USD1351.28 per ounce, amid weakness in the greenback after the US Fed stood pat on interest rate decision at its latest monetary policy meeting. Gold hit a high of USD1362.00 per ounce and a low of USD1319.30 per ounce during the previous week. Gold is expected to its find support at USD1330.80 per ounce, and a fall through could take it to the next support level of USD1303.70 per ounce. The yellow metal is expected to find its first resistance at USD1373.50 per ounce, and a rise through could take it to the next resistance level of USD1389.10 per ounce. **Crude Oil** Crude oil traded 5.86% lower in the previous week, closing at USD41.60 per barrel, pressured by mounting fears of persistent global supply glut. Oil prices failed to find support, after the Energy Information Administration (EIA) showed that US crude oil stockpiles surprisingly advanced by 1.7 million barrels to 521.3 million barrels in the week ended 22 July, while the American Petroleum Institute (API) reported that US crude oil inventories narrowed less than expected by 0.8 million barrels to 520.0 million barrels last week. Last week, the commodity traded at a high of USD44.37 per barrel and a low of USD40.57 per barrel. Crude oil is expected to witness its first support at USD39.84 per barrel and second support at USD38.31 per barrel, while the first resistance is expected at USD43.64 per barrel and second resistance at USD45.91 per barrel. **Source:** Direct Forex Broker (Review and Forex Rebates Up to 85%)