Weekly Currency Report - Last week, the forex market was dictated by the monetary policy decisions from the Bank of England (BoE) and the Reserve Bank of Australia (RBA). The BoE slashed its benchmark interest rate for the first time since 2009 to a record low level of 0.25%, in a move to combat the impact of Britain's decision to leave the European Union (EU). The central bank also restarted bond buying program that included purchase of up to £10 billion of corporate bonds and an expansion of the asset purchase scheme for government bonds of £60 billion to £435 billion. In a speech post meeting, the BoE Governor, Mark Carney, vowed that the central bank would take “whatever action is needed” in order to ensure that the nation’s economy remains strong following the Brexit vote. Further, the central bank sharply downgraded its growth forecasts by the most ever for 2017 to 0.8% from 2.3% and added that the outlook for growth in the short to medium term has weakened noticeably. Macroeconomic data released in the US indicated that, non-farm payrolls in the US came in stronger than forecasted, thus strengthening speculation that the Fed will raise interest rates in the next month. Also, the ISM manufacturing activity expanded at a slower than expected pace in July. Moreover, ADP employment rose in July. Further, the nation’s final Markit manufacturing PMI advanced in July while services PMI remained unchanged in the same month. However, the nation’s unemployment rate remained steady at 4.9% in July. Further, the ISM non-manufacturing PMI eased in July. Additionally, construction spending fell for a third straight month in

June, hitting its lowest level since June 2015. Further, the nation's initial jobless claims unexpectedly rose in the week ended 30 July. Also, the nation's factory orders fell for the second straight month on a monthly basis in June. The AUD gained ground last week. The RBA, in its latest monetary policy meeting, reduced its key interest rates second time this year to an all-time low of 1.5%, in a bid to defend the economy from creeping deflation and restrain strength in the local currency. Further, the central bank reiterated that easing monetary policy would lead to improved prospects for sustainable growth in the economy and would boost inflation. In a statement post meeting, the RBA Governor, Glenn Stevens, indicated that recent economic data suggested that the nation's overall growth is continuing at a moderate pace. Separately, the RBA, in its quarterly statement, revealed that core inflation would likely remain low for an extended period. It also noted that soaring local currency and the outlook for Chinese economy are key sources of uncertainty for growth and inflation forecasts. The central bank predicated the nation to expand by 2.5% to 3.5% through December 2017, before accelerating to 3% to 4% in 2018. **EURUSD** The EUR weakened against the USD last week, closing 0.79% lower at 1.1086. In economic news, data suggested that Eurozone's final manufacturing PMI expanded at a slower pace in July. Meanwhile, the final Markit services PMI unexpectedly advanced in July. Also, the region's retail sales remained flat on a monthly basis in June, in line with market expectations. Separately, the ECB in its latest monthly economic bulletin report, warned that Brexit vote has triggered some uncertainty about the global economic outlook and noted that incoming economic data for second quarter hinted towards subdued global activity and trade. Elsewhere, in Germany the final Markit manufacturing PMI declined in July. Further, seasonally adjusted factory orders unexpectedly dropped on a monthly basis in June. On the other hand, the final Markit services PMI climbed in July. Also, Markit construction PMI advanced in July. During the previous week, the pair traded at a high of 1.1234 and a low of 1.1046. The pair is expected to find its first support at 1.1010 and first resistance at 1.1198. The second support is expected at 1.0934 and second resistance at 1.1310. Looking ahead, investors anxiously await the release of preliminary 2Q GDP data across the Eurozone along with Eurozone's Sentix investor confidence data, slated to release this week. Meanwhile, Germany's consumer price index, industrial production and trade balance data, due to release this week, would also generate lot of market attention. **GBPUSD** The GBP traded 1.19% lower against the USD last week, with the pair closing at 1.3073, after the Bank of England (BoE), in its recent monetary policy meeting, cut its benchmark interest rate to a historic low of 0.25%. In other economic news, UK's final Markit manufacturing PMI declined in July. Further, that nation's construction PMI dropped at the steepest pace in seven years in July, contracting for the second consecutive month, following uncertainty over the historic Brexit vote. Moreover, the final Markit services PMI eased in July, in line with market expectations, contracting for the first time in more than three years in July. The GBP hit a high of 1.3372 and a low of 1.3022 against the USD in the previous week. The pair is expected to find its first support at 1.2939 and first resistance at 1.3289. The second support is expected at 1.2806 and second resistance at 1.3506. This week, investors would focus on the release of UK's NIESR GDP estimate, industrial and manufacturing production, total trade balance, construction output and RICS house price balance data.

USDJPY The USD declined against the JPY last week, closing 0.24% lower at 101.82. The minutes from the Bank of Japan's (BoJ) latest monetary policy meeting indicated that policymakers showed disagreement over the need to modify stimulus measures in June as they found that it was necessary to closely examine the impact of negative interest rate policy on the economy. It further disclosed that policymakers were concerned about the EU referendum that was set to take place on June 23 of Brexit vote and its consequences on global financial and economic developments. In other economic news, Japan's Nikkei services PMI expanded in July. Moreover, the nation's preliminary coincident index rose less than expected in June. On the contrary, the nation's preliminary leading economic index unexpectedly eased in the same month. During the previous week, the pair traded at a high of 102.83 and a low of 100.68. The pair is expected to find its first support at 100.72 and first resistance at 102.87. The second support is expected at 99.63 and second resistance at 103.93. Moving ahead, Japan's Eco-Watchers survey, machine tool orders, machine orders and tertiary industry index data, all slated to release this week, will be on investor's radar. **USDCHF** Last week, the USD traded 1.16% higher against the CHF and closed at 0.9807. On the data front, Switzerland's real retail sales eased more than expected on an annual basis in June. Moreover, the nation's SVME manufacturing PMI unexpectedly fell in July. Meanwhile, the nation's SECO consumer confidence index remained steady in 3Q 2016. The USD hit a high of 0.9831 and a low of 0.9634 against the CHF in the previous week. The pair is expected to witness its first support at 0.9684 and second support at 0.9560, while the first resistance is expected at 0.9881 and second resistance at 0.9954. Moving ahead, Switzerland's consumer price index and unemployment rate data, scheduled to release this week, will garner a lot of market attention. **USDCAD** The USD rose against the CAD last week, closing 1.09% higher at 1.3172. The Canadian Dollar lost ground, after data revealed that Canada's unemployment rate rose to a level of 6.9% in July, in line with market expectations, indicating that the nation is still struggling from economic slowdown. Further, the net number of people employed unexpectedly declined in July. Additionally, the nation's international merchandise trade deficit expanded in June. On the other hand, the nation's seasonally adjusted Ivey PMI rose unexpectedly in July. Moreover, the RBC manufacturing PMI inched higher in the same month. The pair traded at a high of 1.3200 and a low of 1.2997 during the previous week. The pair is expected to find its first support at 1.3046 and first resistance at 1.3249. The second support is expected at 1.2920 and second resistance at 1.3326. Looking ahead, market participants would await the release of Canada's building permits, housing starts and new housing price index data, all due in this week. **AUDUSD** The AUD traded 0.3% higher against the USD last week, with the pair closing at 0.7619. The Reserve Bank of Australia (RBA), in its latest monetary policy meeting, cut its key interest rates second time this year to an all-time low of 1.5%. In other macroeconomic news, data indicated that Australia's trade deficit expanded more than forecasted in June. Moreover, the nation's building approvals fell for a second consecutive month in June. Further, AiG performance of construction index dropped in July. On the contrary, the nation's AiG performance of services index rose in July. Also, seasonally adjusted retail sales rose for the fifth consecutive month on a monthly basis in June. The AUD hit a high of 0.7664 and a low of 0.7491 against the USD in the previous week. The pair is expected to find support at 0.7519, and a fall through could take it to the next support level of 0.7418. The pair is expected to find its first resistance at 0.7692, and a rise through could take it to the next resistance level of 0.7764. Going forward, market participants would look forward to RBA Governor, Glenn Steven's speech along with Australia's Westpac consumer confidence, NAB business confidence and consumer inflation expectations would garner lot of market attention. **Gold** During the previous week, gold traded 1.13% lower and ended at USD1336.00 per ounce, amid strength in the US Dollar and as better than expected US jobs data renewed speculation that the Fed may raise interest rates in the next month. The precious metal traded at a high of USD1374.20 per ounce and a low of USD1340.40 per ounce in the previous week. Gold is expected to its find support at USD1329.80 per ounce, and a fall through could take it to the next support level of USD1318.20 per ounce. The yellow metal is expected to find its first resistance at USD1363.60 per ounce, and a rise through could take it to the next resistance level of USD1385.80 per ounce.   **Crude Oil** Last week, crude oil strengthened 0.48% to close at USD41.80 per barrel. However, crude prices oscillated between gains and losses throughout the week, amid ongoing fears about a global supply glut. Separately, the Energy Information Administration (EIA) showed that US crude stockpiles advanced by 1.4 million barrels to 522.7 million barrels during the week ended 29 July, while the American Petroleum Institute (API) indicated that US crude oil inventories fell by 1.3 million barrels to 518.7 million barrels during the last week. Last week, the commodity traded at a high of USD42.10 per barrel and a low of USD39.19 per barrel. The commodity is expected to find its first support at USD40.08 per barrel and first resistance at USD42.99 per barrel. The second support is expected at USD38.18 per barrel and second resistance at USD44.00 per barrel.   **Source:** Direct Fx Broker (Review and Forex Rebates Up to 85%)