

Today's important market news - Despite the US labour market showing robust growth for two months, the appallingly low Q2 GDP and retail sales figures imply that economic growth and inflation rise are still weak. On Tue 16th Aug, the dollar index future (September) extended the weakness it has shown since Friday. A result of the disappointing retail sales report, the lowered market expectations for a Fed rate hike, and the dovish statement made by John Williams, the president of San Francisco Fed. The dollar index fell like a stone, from the intra-day high of 95.605 to the lowest level of 94.355 and the second biggest intra-day fall since the Brexit referendum, a 1.31% fall. The dollar has weakened across the board. The bearish momentum continued as US CPI (MoM), Core CPI (YoY and MoM), and Building Permits (MoM) in July, released subsequently, underperformed, driving the dollar index further down. The three significant support levels were broken in eight hours, including the 38.2% Fibonacci retracement level at 95.41, 95.00, and 50.0% Fibonacci retracement level at 94.73. When nearing the support level at 94.35, the index bounced off sharply, as New York Fed president William Dudley commented that a September rate hike is possible. It is currently oscillating in the range between the major resistance at 95.0 and 94.73, be aware of a pullback. Upside significant resistance is at 95.0, followed by 95.20, 95.325, 95.41, 95.50 and 95.60. Downside support line is at 94.73, followed by 94.35, 94.20 and the 61.80% Fibonacci retracement level at 94.06. Keep an eye on the FOMC Meeting Minutes, released at 19:00 GMT+1 on Wednesday

17th August, as they will influence the market sentiment and the strength of the dollar. GBPUSD As the first post referendum UK CPI figures released outperformed, GBPUSD surged and broke the downtrend channel resistance at 1.2962 and the significant resistance level at 1.30. It is currently oscillating in a range between 1.30 and 1.305. The resistance level is at 1.303 followed by 1.305, 1.307 and 1.310. Downside newly formed support line is at 1.30, followed by 1.297, 1.295 and 1.293. Keep an eye on the upcoming Claimant Count Change and Unemployment Rate in July, to be released shortly, at 09:30 GMT+1 on Wed 17th August. The Retail Sales (YoY and MoM) and the Core Retail Sales (YoY and MoM) in July are released at 09:30 GMT+1 on Thu 18th August. With positive figures, the resistance at 1.303 and 1.305 will likely be tested again, while lower-than-expected figures, will likely drive the price down and test the downside support levels. USDJPY As the dollar weakened, USDJPY plunged from the intra-day high of 101.283 to a post EU referendum low of 99.526, a 1.73% fall. The two significant support levels at 101.00 and 100.00 were both broken, followed by a rebound. It is currently testing the newly formed resistance at 101.00. The 4 hourly KD indicator is at a high level, suggesting a pullback. Downside support line is at 100.70 followed by 100.50, 100.00, 99.80, and 99.50. Upside resistance is at 101.0 followed by 101.50, and 102.00.

Today's important market news

Time: GMT

09:00	ZEW Survey - Expectations
18:00	FOMC Minutes
23:50	Merchandise Trade Balance Total
23:50	Imports (YoY)
23:50	Exports (YoY)
23:50	Adjusted Merchandise Trade Balance
23:50	Foreign bond investment
23:50	Foreign investment in Japan stocks

Source: [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](https://www.fxpro.com/forex-broker-reviews/forex-rebates-up-to-85%/)