

PMI and EUR/USD - German and Eurozone Manufacturing, Services and Composite PMIs for Aug, will be released at 08:30 and 09:00 GMT+1 on Tue 23rd Aug. Although the German Manufacturing PMI in July fell slightly to 53.8, from 54.5 in June, it was the strongest expansion in the past four and a half years. In addition, output grew at the fastest pace since Apr 2014, helped by increased demand and the processing of inventories. Input costs rose for the first time in a year. German Services PMI rose to 54.4 in July, from 53.7 in June, the 38th straight month of growth, as a result of rising demand and investments. Yet service provider confidence fell to an 8-month low, due to concerns over the consequences of Brexit. Eurozone Manufacturing PMI fell to 52 in July, from 52.8 in June, but still recorded the 37th consecutive month of expansion. New orders and job creation grew at a low pace. Eurozone Services PMI rose to 52.9 in July, from a 17-month low of 52.8 in June. Eurozone Composite PMI rose to a 6-month high of 53.2 in July, the 37th straight month of growth, driven by accelerated output growth in Germany. **EURUSD** On the daily chart, EURUSD has turned bullish since 27th July as the dollar weakened, breaking the upside downtrend resistance line and significant resistance level at 1.1300 on 18th Aug. Yet it has retraced today due to the rebound of the dollar. The current price is testing the downside uptrend line support at 1.1260, if it is confirmed broken, the next support level is at 1.1240 followed by 1.1220. The upside uptrend resistance level is at 1.1300, followed by 1.1350, 1.1400 and 1.1430. **DAX Index** The DAX index has rallied more than

20% this year helped by corporate earnings and loose monetary policies. Yet it has retraced 2.93%, to 10489.15, after hitting the year high of 10805.50 on 15th Aug, due to political turmoil and underperformance of Basic Resources, Utilities and Insurance sectors. German economic growth forecast was 2.9% this year, the lowest since 2009, in part due to the uncertainty caused by the Brexit vote, in part due to the slowdown of the global economy. It has rebounded today after testing the significant support at 10485, currently testing the major resistance at 10600 with strong bullish momentum. The downside support line is at 10485, followed by 10470, 10450, 10430 and 10400. The upside resistance is at 10630, followed by 10645, 10680 and 10730. Keep an eye on the upcoming German and Eurozone PMI figures. With positive readings, EURUSD and DAX will likely test the upside resistances. While lower-than-expected figures, will likely pull the prices back and test the downside support lines.

Today's important market news

Time: GMT

12:30 Chicago Fed National Activity Index
21:00 RBNZ Governor Wheeler Speech

Source: [Fxpro Forex Broker \(Review and Forex Rebates Up to 85%\)](#)