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Currency outlook for the Week 03 Aug– 07 Aug 26-Venkat's Blog

#syfx.org #Dollar Index #EUR #GBP #JPY

Dollar index (DXY)

(Chart image source: TradingView.com)

The Dollar index having spent 7 weeks above 101 and yet could not break the resistance zone of 101.50-75 and hence came under strong selling. The FED rate decision added to the negative sentiments. DXY index has been moving in a descending channel with support at 100.10 and the resistance at 101.55 and the support broke which made the DXY to close lower. The Index made a bearish candle with lower low and lower high. The oscillators are showing mixed signals and we can expect a consolidation between 99.60 & 100.40. A breach on either side will attract attention for a review. Crucial levels to watch are the support at 99.60 & 98.80 and resistance at 100.40 followed by 100.80.

EUR

(Chart image source: TradingView.com)

The currency pair is moving in a descending channel since May 26 and also had spent the previous 5 weeks in a range of 1.1325-1.1460. Having withstood the selling pressure since May 26, the currency pair made a strong bullish candle with lower low and higher high clearing the crucial resistance at 1.1440-60. The currency pair is likely to attract buying interest on any dip towards 1.1430. The key levels to watch are 1.1430 and 1.1400 on the downside and 1.1580 and 1.1650 as resistance. The currency pair has to quickly reclaim the crucial 1.1570-1.1610 zone for further gains. We may see consolidation between 1.1430-1.1660.

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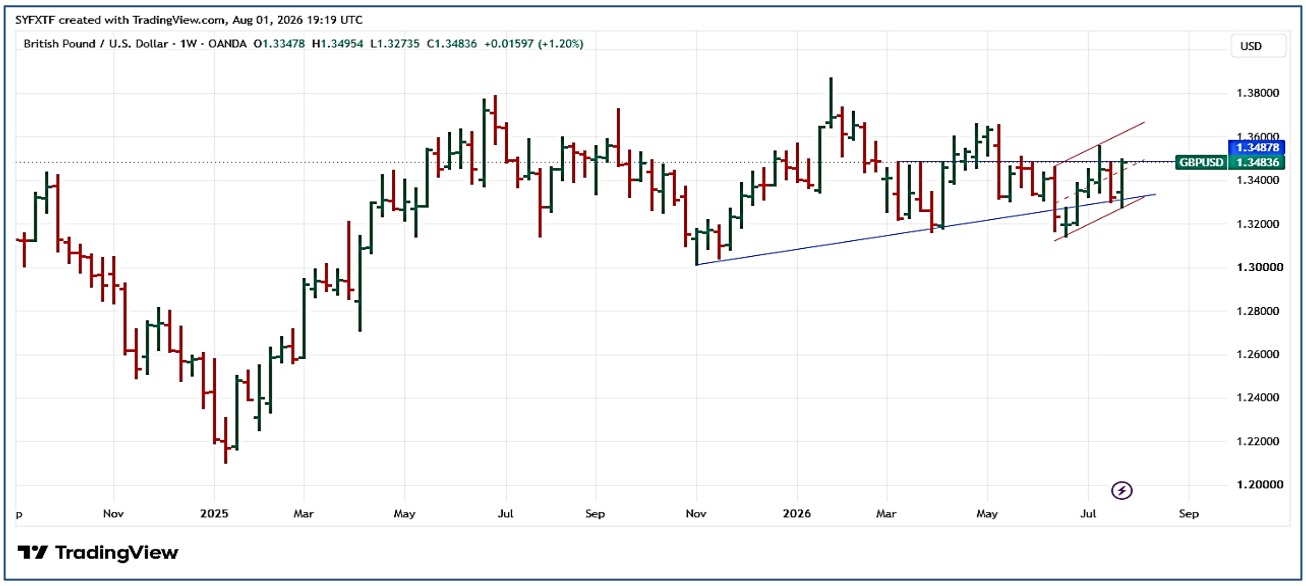
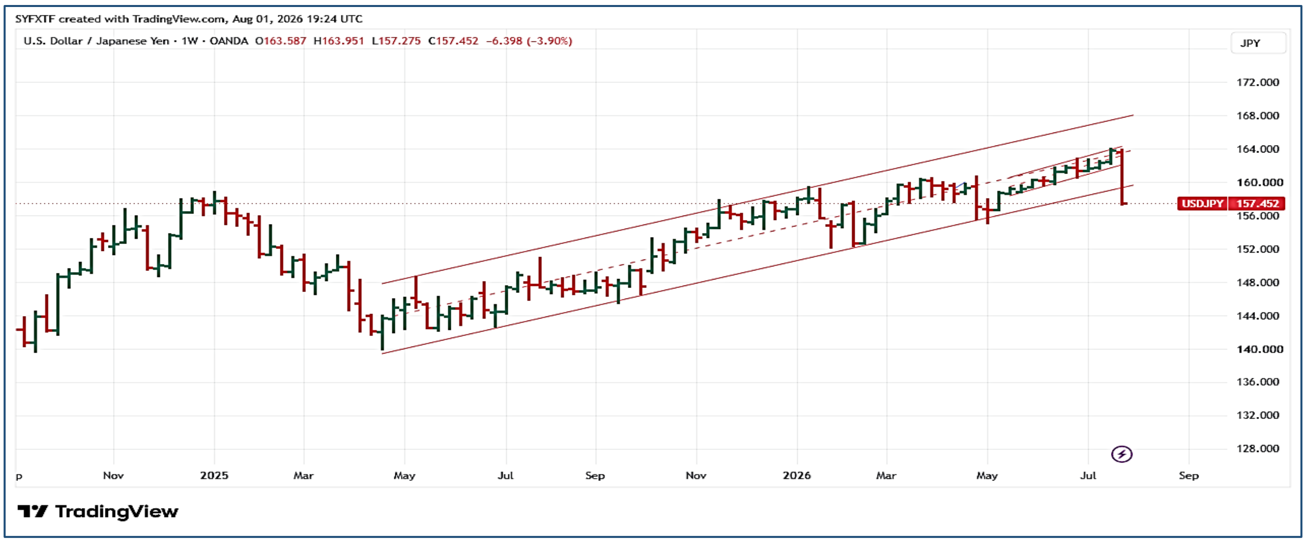
GBP



(Chart image source: TradingView.com)

The currency pair came made a strong reversal from the previous week's sell-off. The currency pair made a strong bullish candle with a lower low and higher high. Weekly close above 1.3380 is seen as positive. The currency pair is seen moving in an ascending channel with support at 1.3310 and top resistance at 1.3610. The present set-up suggests that the currency pair is likely to consolidate in the range of 1.3380 & 1.3610 The oscillators are showing mixed signals. A break on either side will trigger 75-100 pips move in the direction of the breach.

JPY



(Chart image source: TradingView.com)

The currency pair has been moving in an ascending channel since Apr 25 with the top trend line at 167.90 and the lower support at 159.90 and a pivot of 163.90. The currency pair tested close to 164 during the week and the previous week. Unable to break this barrier, the currency pair came under selling. The intensity was much stronger compared to the fall in April 26 when the BoJ intervened. The currency pair broke the long term trend channel at 159.50 and is likely to be under pressure on any spike higher. The outlook remains negative. We may see the currency pair consolidates in the range of 155.20-159.50.

#Stay Safe

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