

## Currency outlook for the Week 04 May– 08 May 26-Venkat's Blog

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

### Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index continues to remain weak and fails to hold above the long term trend line at 99.35. The JPY intervention on Friday played a spoil sport for the DXY which apparently was looking to break the barrier. The outlook for DXY continues to remain negative. With no sign on easing of geo-political risk DXY will continue to be under pressure. We can expect a consolidation between 97.30 & 99.40. Only a breach on either side will attract attention for a review. Crucial levels to watch are the support at 97.70 & 97.30 and resistance at 98.70 followed by 99.40. The oscillators are showing mixed signals. DXY has been moving in the range of 96.60-100.30 for the past one year, after its fall from 110 in Feb 25. We may continue to see this consolidation as the US seem to prefer a weaker currency.

### EUR



(Chart image source: TradingView.com)

The currency pair continues to remain in a consolidation mode. The currency pair made a bullish inside bullish candle with lower low and lower high. The support at 1.1650-1.1680 is crucial. Break and a daily close below would lead to stops getting triggered. The upside appears heavy around 1.1850. The current set-up suggests that the currency pair may find it difficult to make sharp gains and we may see consolidation between 1.1620-1.1810. Any breach of this range would see a quick move of 70-100 pips.

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## GBP



(Chart image source: TradingView.com)

The currency pair made fourth consecutive bullish candle with higher low and lower high. The currency pair is moving in an ascending channel with support at 1.3370 and the resistance at 1.3670 which is the ascending channel top and the pivot at 1.3530. The current set-up suggests that the currency pair is likely to consolidate in the range of 1.3370- 1.3670 with a neutral bias.

## JPY



(Chart image source: TradingView.com)

The currency pair is moving in an ascending channel since Apr 25 with the top trend line at 164.05 and the lower support at 155.60 and a pivot of 159.80. The currency pair moved out of the 157.30 & 160.40 held during the previous past 7 weeks and gave a false break-out and the intervention saw a 5 big figure move from the top in a couple of hours. It is attempting to rebound from the lower end of the ascending channel. The outlook remains negative and attempts to scale towards 158.80-159.30 would attract fresh selling interest. The current set-up suggests that the pair may consolidate in the range of 155.70-158.80. A daily close below 155.70 would see the pair move towards 152.30.

#Stay Safe

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