

DIRECT LINKS:

- ▶ Forex Trading
- ▶ New To Forex
- ▶ Forex Quotes
- ▶ Charts
- ▶ White Labels
- ▶ Asset Managers
- ▶ Introducing Brokers

Last week European data knocked off Euro from record 1.6019 high

News and Events:

The dollar rose last week against a basket of major currencies boosted by a growing view that the Federal Reserve may stop cutting interest rates. US economic data last week showed resilience in some sectors, such as the labor market, contrasted with a sharp drop in business sentiment in Germany. That news, combined with ECB policy-makers' comments highlighting worries about excess volatility in Foreign Exchange trading, lowered expectations for a rate hike in the euro zone and hurt the Euro.

The percentage chance the Fed will keep its benchmark interest rate unchanged at 2.25% at this week meeting rose to about 26%. Just a week ago, futures markets were pricing between a 25 to 50bp cut. Meanwhile, FX participants were paring bets that the ECB's next move will be a hike in benchmark interest rates.

On Friday, EurUsd was down 0.32% at 1.5626 after dropping as low as 1.5555 intraday, a three-week low. UsdChf last traded down 0.14% at 1.0342. UsdJpy was up 0.07% at 104.43. GbpUsd went up 0.61% to 1.9847 rebounding from intraday 1.9677 low.

Last week's rally in the Dollar may have also led some investors to sell the currency ahead of the weekend to cash in profits, traders said. On Friday, Dollar had limited reaction to a report showing US consumer confidence fell for a third straight month, touching its weakest in more than 25 years. In Europe, the Ifo German business sentiment index showed the biggest monthly fall since September 2001 on Thursday, taking the April headline number to a two-year low. Together with a soft euro-zone manufacturing survey, the data knocked the Euro off record high 1.6019 set at the start of last week.



Bullish Attitude

Performance

Security

Simplicity

Transparency

**Free
Practice
Account**

Trade
Currencies Online
With the Best
Conditions



Today's Key Issues (time in GMT):

06:12 EUR May Germany GfK consumer sentiment 4.4 vs 4.6
16:00 USD March Midwest manufacturing previously 101
19:00 CAD February Budget balance Cad\$ 0.592B previously
19:00 CAD February Budget balance Cad\$ 9.96B previously year-to-date
22:45 NZD March merchandise trade Nzd 3.64B vs 3.45B
22:45 NZD March merchandise trade - expo Nzd 3.93B vs 3.71B
22:45 NZD March Trade Balance Nzd 395M vs 258M (month)
22:45 NZD March Trade Balance Nzd -4.06B vs -4.41B (year)

The Risk Today:

EURUSD Last wee, Euro made its largest drop in the last 5-week, after hitting 1.6019 all time high. Medium term trading range is still set between 1.5500 – 1.5800. Strong support hold 1.5528 (23.6% retracement of 1.4311-1.5904 advance). Psychological 1.5000 level marks strong key support before 1.4500 pivot point. Pivot point hold 1.6000 resistance ahead of key resistance 1.6200 market target. Initial support hold 1.5511 April 3rd low.

GBPUSD Cable is consolidating around 1.9800. Further strength may open the way toward 2.0000 psychological level. Confirmation over 2.0100 major pivot point would set Cable free for more uptrend. Actual trading range is 1.9600 – 2.0000. Renewed pressure below 1.9800 may open the way down to 1.9337 January low and 1.9105 (50% retracement of 1.7049 – 2.1162 advance).

USDJPY Uptrend started mid-March is loosing strength. But further advance may open the way up to 105, then 110.10 strong (Trendline) resistance and mid January double top ahead of 111.92 early January high. Fail to overtop 105 will bring back weakness on 100 – 103 consolidation trading range. Minor support holds 102.95 early April high.

USDCHF Market broke up 1.0200 last week and further Dollar advance may bring market up to 1.0457 trendline resistance. A return below 1.0200 may reopen the way down 1.0000 and toward 0.9639 17th March low. Current uptrend looks set up over 1.0200 former resistance. Early January double top 1.1191 marks strong resistance.

Resistance and Support:

EURUSD	GBPUSD	USDJPY	USDCHF
1.6200 T	2.0577 T	111.92 K	1.1191 S
1.6019 M	2.0447 S	110.10 T	1.0500 S
1.6000 K	2.0100 P	105.00 S	1.0457 T
1.5630	1.9790	104.50	1.0340
1.5528 S	1.9650 S	102.95 M	1.0200 S
1.5400 T	1.9337 S	100.00 P	0.9637 K
1.5000 K	1.9105 K	95.74 S	0.9500 T
S: Strong, M: Minor, T: Trendline, K: Keylevel, P: Pivot			

Quick access to our 5 previous newsletters:

- ▶ [Dollar rose after better US employment report and large fall in...](#)
- ▶ [Euro reversed gains after less hawkish interest rate remarks...](#)
- ▶ [Euro rallies up to 1.6019 on expectation ECB may raise rates](#)
- ▶ [Traders await US housing data today; Dollar gains some ground](#)
- ▶ [Dollar gain on Friday after Citigroup results and credit crisis...](#)

▶ [unsubscribe](#)

This e-mail is intended solely for the indicated recipient(s). It may contain privileged and/or confidential information. If you are not one of the intended recipients, please notify the sender immediately and destroy this e-mail; you must not copy, distribute or take any action in reliance on the information contained within. Whilst all efforts are made to safeguard inbound and outbound e-mails, ACM SA cannot guarantee that attachments are virus free or compatible with your software and declines any liability in respect to viruses or computer problems experienced. Any views expressed in this message are those of the individual sender, except where specifically stated to be the view of ACM SA, its subsidiaries or associates. Additionally ACM SA declines any liability connected with losses incurred on transactions based on any market information and/or opinions contained within this e-mail. This message has been checked for all known viruses by McAfee Virus scan.