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Currency outlook for the Week 10 Aug– 14 Aug 26-Venkat's Blog

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

Dollar index (DXY)

(Chart image source: TradingView.com)

The Dollar index attempts to hold the long term trend line support at 99.40. JPY intervention also contributed for the decline. 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. In the larger picture the DXY is moving in a wider ascending channel with support at 98.70 and resistance at 102.30. 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 98.70 & 100.40. A breach on either side will attract attention for a review. Crucial levels to watch are the support at 99.10 & 98.70 and resistance at 100.40 followed by 100.80. A daily close below will open deeper correction.

EUR

(Chart image source: TradingView.com)

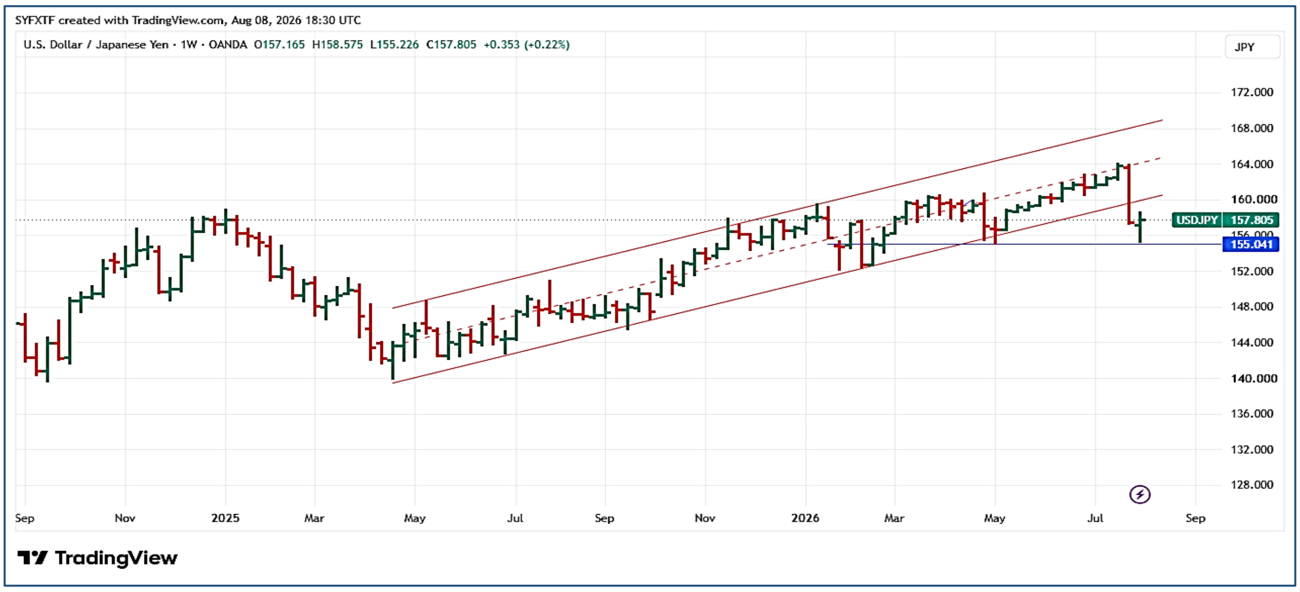
The currency pair is making attempts to hold the gains and appears to gather momentum for penetrating the net major resistance at 1.1560-80. The currency pair is likely to attract buying interest on any dip towards 1.1460. The key levels to watch are 1.1510 and 1.1460 on the downside and 1.1580 and 1.1650 as resistance. The currency pair has to quickly reclaim the crucial 1.1570-1.1610 zone for further gains. We may see consolidation between 1.1460-1.1680.

GBP

(Chart image source: TradingView.com)

The currency pair consolidates in a narrow range after making decent gains during the previous week. It faces major challenge crossing the barrier at 1.3510-30. The currency pair made a bearish candle with a higher low and higher high. Weekly close above 1.3480 is seen as positive. The currency pair is seen moving in an ascending channel with support at 1.3310 and top resistance at 1.3620. The present set-up suggests that the currency pair is likely to consolidate in the range of 1.3480 & 1.3620. 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 made a reactive pullback. However, the upside appears to be capped at 158.70. A daily close above this would help the currency pair attempt 160.10. The target for the breach of the ascending channel starting form Apr 25 is 151. The present setup suggests that the currency pair may find interest on both sides between 155.70 & 158.70. Break on either side would trigger stops which could see 50-70 pips move in the direction of breach. The outlook remains negative.

#Stay Safe

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