

## Currency outlook for the Week 05 Jan– 09 Jan 26-Venkat's Blog

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

### Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index held the key support at 97.90 and remained in a narrow range. The outlook for DXY seems to be neutral to positive. We can expect a consolidation between 98.00 & 99.40. Only a breach on either side will attract attention for a review. Crucial levels to watch are the support at 97.90 & 97.40 and resistance at 98.50 followed by 99.40. The oscillators are showing mixed signals. We can't expect any major rebound as the Dollar Index is consolidating in the range of 96.40-99.40 from June 25 with marginal breaches a couple of time. Will it break below 96.30? - is a big question as of now. The technical signals do suggest such probability. However, there are chances of a temporary rebound towards the long term resistance line at 99.40.

### EUR



(Chart image source: TradingView.com)

The currency-pair has been moving in the range of 1.1710-1.1810 for the past 3 week making alternate bull and bear candle. The currency pair moved in a range of 1.1718 & 1.1790, forming a bearish inside candle with lower high and higher low. A break and a daily close above 1.1810 required for further upside. Expected range for the week 1.1710-1.1840 with a neutral bias. Any breach of this range would see a quick move of 70-100 pips. A daily close below 1.1710 would quickly see the pair move past 1.1630.

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## GBP



(Chart image source: TradingView.com)

The currency pair seem to face tuff resistance around 1.3530-50 range and hence came under selling pressure. The pair is moving in an ascending channel with support at 1.3410 and resistance at 1.3590. It made a bearish inside candle with higher low and lower high. The potential break-out of the descending channel is 350 pips which ideally should help the currency pair to hit the Jun/Sep highs. Any decline towards 1.3420 is likely to be met with demand. Only a daily close below 1.3410 will alter the outlook. The current set-up suggests that the currency pair is likely to consolidate in the range of 1.3420 - 1.3590 with a neutral bias. Breach on either side would make the pair move by another 75-100 pips in the direction of breach.

## JPY



(Chart image source: TradingView.com)

The currency pair is moving in an ascending channel since Apr 25. The currency pair has been witnessing volatile moves between 154.30 and 157.80 for the past 8 weeks. It formed small bullish inside candle. The previous down move in Jan 25 started from 158.85 and slipped all the way to 140. It remains to be seen whether the currency pair will be replicating similar move this time as well. The oscillators showing mixed signals. The resistance at 157.70 is crucial. A break and daily close above that will lead to more stops getting triggered and would take the currency pair towards 160 levels. We can expect a consolidation in the range of 154.45-158.10. Only a daily close below 154.40 could signal possibilities of lower range. We may see volatile sessions with stops getting triggered on either side.

#Stay safe

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