

Currency outlook for the Week 10 Feb – 14 Feb 25-Venkat's Blog

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

Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index attempted a pullback supported by the rhetoric statements on Trade tariffs. However, with the reversal/review the market is trying to gauge the true strength.. In the absence of clear signals, we can expect a consolidation in a range of 107.30-110.30. Only a breach on either side will attract attention for a review. The base at 107 is a crucial support which held well for a bounce back. The DXY is attempting to get back in to the steep ascending channel which it breached couple of weeks ago. A daily close below 107.30 would imply that the DXY is heading for 105.40. Crucial levels to watch are the support at 107.00 and resistance at 109.45. The Index is expected to undergo consolidation in this range before deciding the further direction.

What to expect now?

While the underlying sentiments are still positive for higher levels, we may see resistance around the Fib Projection of 109.50. A daily close above this will open the way for attempt of 110.40 and then 111.27 which is the previous key level.

What are the probabilities of much higher levels?

- Long term charts indicate that the Dollar Index is in an ascending channel since 2008 and the current band is 98-118 with a pivot around 107-108 range
- Oscillators are stretched and showing mixed signals indicating uncertainties

EUR



(Chart image source: TradingView.com)

Unable to penetrate the key resistance at 1.0460, the currency pair came under selling pressure and closed near the break-out level of 1.0325 after testing a low of 1.0210. Will the currency pair be able to hold on the crucial lower support at 1.0170 is the concern. Higher possibilities for the support to hold as the currency is likely to attract some buying interest on any pull back. Expected range for the week 1.0170-1.0470. 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 GBPUSD currency pair just like other currencies were under pressure due to US stance of Trade related policy announcements. While it fell sharply, it was quick enough to recover. The currency pair made a bullish weekly candle with higher high and lower low. The currency pair actually got back into the broke the descending channel and closed at the top closer to the trend line. we can expect the currency pair to be well supported around the Dec 25 closing level of 1.2350. Upside potential is till 1.2610. We may see a consolidation in the range of 1.2300 and 1.2620.

JPY



(Chart image source: TradingView.com)

The JPY currency saw a breach of the ascending channel in the previous week and during the week there was an attempt towards the break-out zone. However, the currency pair could not cross 156. Hence came under selling pressure to close at 151.40 which is near the lows of the week. For now 153.40 itself would be a tuff barrier and we can expect a consolidation in the range of 148,40-152.40. The JPY decline could help softening the upward momentum of DXY.

#Stay safe

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