

Currency outlook for the Week 18 May– 22 May 26-Venkat's Blog

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

Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index saw support at 97.60-70 zone holding for the past 3 weeks is seen on a recovery phase. The 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. During the week the DXY index made a bullish candle and is close to the major long-term resistance zone around 99.40-50. A break and a daily close above 99.50 would trigger the stops and the Index can see a quick attempt towards 100.40-50. We can expect a consolidation between 98.40 & 100.40. Only a breach on either side will attract attention for a review. Crucial levels to watch are the support at 98.80 & 98.40 and resistance at 99.80 followed by 100.40. While the oscillators are turning and showing a positive signal, a contrarian view is that the gain during the week is due to the expectations from the US-China Summit and the reality may prove it otherwise.

EUR



(Chart image source: TradingView.com)

The currency pair having failed to penetrate and hold above 1.1770-90 for the past 4 consecutive weeks, is under selling pressure. It broke the range of the past 4 weeks. The currency pair made a bearish candle with lower low and lower high. The currency pair has to quickly reclaim the crucial 1.1650-1680 zone for any gains. The current set-up suggests that the currency pair may find it difficult to make sharp gains and we may see consolidation between 1.1540-1.1740. 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 gave up the gains made in the past 4 weeks and was under selling pressure. It breached the key support at 1.3455 and also the ascending channel support at 1.3410. With this strong move the oscillators have turned negative. The currency pair made a bearish candle with a lower low and lower high. The current set-up suggests that the currency pair is likely to consolidate in the range of 1.3220- 1.3460 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 164.90 and the lower support at 156.90 and a pivot of 160.90. The currency pair moved back in to the same boxed range after suffering an intervention by the central bank during the previous week and sharp fall and gradual reversal. The outlook remains neutral. We may see the currency pair consolidate in the range of 157.40-160.40 with a crucial resistance at 150.25. A daily close below 156.90 would see the pair move towards 154.50.

#Stay Safe

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