

Currency outlook for the Week 19 May – 23 May 25-Venkat's Blog

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

Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index is continued its attempt to stabilize with a consolidation. Apparently it appears to have moved out of the descending channel. The market is skeptical on Dollar strength which technically appears to be at the cross roads. The 90 day pause on the reciprocal tariff will give a breather for the markets to settle down. We can expect the DXY to consolidate between 99.80 & 102.60. Only a breach on either side will attract attention for a review. A daily close above 101.30 could help the Index to spike towards 102.70. For now, we can conclude that the any spike higher towards 103 or higher would be met with sell-off. Only a daily close above 103.70 would imply that the DXY is heading for higher levels, which may be possible given the fact that after 3 months of fall there are always chances of a partial recovery during the fourth month.. Crucial levels to watch are the support at 100.10 & 99.70 and resistance at 102.60 followed by 103.70. There exists a possibility of a relief pullback towards 102.70 from where it might fall again.

EUR



(Chart image source: TradingView.com)

The currency pair continues to be in a consolidation mode. As we have seen in the past, the currency pair will normally come under heavy selling pressure soon after hitting a peak. This time the fall seems to be measured. After getting rejected around 1.1500, the currency pair made a fourth weekly bearish candle. A break below 1.1220 happened and there was a sharp sell-off toward 1.0649. However, the currency pair recovered to close around the middle of the range for the week. The support at 1.0930 is expected to hold the pair is likely to continue in smaller range. The currency is expected to retain the buying interest. Expected range for the week 1.0930-1.1360 with a neutral bias. 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 continues to be under consolidation mode. Though it made a bullish candle on the weekly, it has made lower high and lower low. The currency pair continued its momentum to hold the gains and stay afloat at higher levels, while its counterpart EUR remained negative. The relative values got adjusted through EURGBP. The pair is seen moving in an ascending channel within which in a descending minor channel.. Any pullback will be supported by buying interest around 1.3220 followed by 1.3140. We may expect a consolidation in a narrow range before finding further direction. The expected range for the week is 1.3120 and 1.3360 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)

As indicated in the previous blog, the USDJPY currency pair moved swiftly towards 148 on breach of 146.50. However, this move was short lived due to as fresh selling taking place. The currency pair closed below 146. The currency pair has moved out of the descending channel and is likely to hold on to a narrow range before finding a fresh direction. For now, 148 continue to be a strong resistance and the support at 144.50 is crucial. A breach below 144.50 would see the pair testing the previous lows. This move helped the Dollar Index to recover some of the losses. With the current recovery the pair may consolidate between 144 & 147. A daily close below 144.50 would see another sell-off towards 142.

#Stay safe

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