

# Daily FX Report

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Tuesday, July 07, 2009

Good morning from beautiful Hamburg and welcome to our Daily FX Report. It seems that China follow a long-term strategy to establish its own currency as an alternative to the USD. Let's wait and see how the FOREX market reacts. However, we wish you a prosperous trading day.

## Market review

The **GBP** fell against the **EUR** on speculation the Bank of England may increase its program of asset purchases by £25bln amid signs that the economy recovery is petering out, according to a report of the Sunday Times. The **EUR/GBP** rose from 0.8560 to 0.8585 at its closing. The **JPY** increased for the second day against all 16 major currencies after the Finance Minister of Luxembourg, Jean-Claude Juncker, said "we are still in the middle of the crisis". In these uncertain times the relative safety of the **JPY** is in great demand. The **USD/JPY** weakened 0.67 % and the **EUR** lost versus the **JPY** even 0.70 %. The German edition of the Financial Times reported that China's government started a pilot project to permit importers and exporters to use the Yuan as settlement currency, to fight against the hegemony of the **USD**. Though, the **USD** got support by the U.S. service index of non-manufacturing businesses, which rose from 44 to 47 points and signaled that the industries shrank by the slowest pace within nine months. The **EUR/USD** closed little changed at 1.3984 with a profit of 0.1 %. The **AUD** and **NZD** strengthened in the early Tokyo trading hours as Asian equities declined and reducing the demand for higher-yielding assets.

## USD/JPY

The bulls turned its back on the USD/JPY after it touched its peak at the beginning of June. Since that time, the currency pair has been trading in a bearish trend-channel, which amplified its strength since the first July week. It remains to be seen if the S1 pivot point may be strong enough to stop this trend, otherwise we should allow for a decrease near to its support at 94.50. The ADX indicator shows also a faultless bearish trend.



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## AUD/USD

Since the middle of June, the AUD/USD has been trading in a trend-less zigzag movement. Now it seems that the bears prevail and in order of this, the currency pair crossed the 0.8007 and 0.7983 resistance levels and primary the support at 0.7880 stopped the downward movement. But it seems that the short recover phase may be over, in considering of a tumbling Momentum indicator, which could boost the bears again.



## Pivot Points - Daily FX Support and Resistance Levels

Currency	Support 2	Support 1	Pivotpoint	Resistance 1	Resistance 2
EUR/USD	1.3831	1.3908	1.3953	1.4029	1.4075
USD/JPY	93.85	94.60	95.42	96.17	96.99
GBP/USD	1.5993	1.6140	1.6243	1.6390	1.6493
USD/CHF	1.0761	1.0803	1.0879	1.0921	1.0998
AUD/USD	0.7845	0.7911	0.7946	0.8012	0.8047
CAD/USD	1.1527	1.1560	1.1620	1.1653	1.1713
NZD/USD	0.6194	0.6281	0.6330	0.6416	0.6465
EUR/AUD	1.7423	1.7477	1.7576	1.7630	1.7729
EUR/CAD	1.6096	1.6154	1.6211	1.6268	1.6326
EUR/CHF	1.5110	1.5137	1.5180	1.5208	1.5251
EUR/GBP	0.8496	0.8540	0.8593	0.8638	0.8691
EUR/JPY	130.53	131.94	133.14	134.54	135.75
GBP/CHF	1.7462	1.7563	1.7669	1.7770	1.7876
GBP/JPY	151.07	153.19	155.16	157.27	159.24

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## Daily Calendar & Key FX Events

Date	Time (GMT)	Economic Indicator	Last
07.07.2009	08:30	UK Industrial Production YoY	-12.3
07.07.2009	08:30	UK Manufacturing Production YoY	-12.7
07.07.2009	10:00	GER Factory Orders YoY (nsa)	-37.1
07.07.2009	21:00	US ABC Consumer Confidence	-51.0

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