

# “Will USD rally come to an end?” (EUR/USD seems stable ahead of ECB )



## ---Central Banks take the stage ---

Better than expected news for the US triggered an extinction of the USD rally, now trying to remain below 1.5500. However, this looks as if it will break this trend and take the pair higher once again. The reduced flow of releases will increase the intention toward releases as Rate decisions by Europe and UK, appearances by central bankers and finally Non-Farm Payrolls.

Releases begin on Tuesday with Euro Zone GDP; this number will give us a further look into what is happening on that side of the pond. Today the International Monetary Fund (IMF) increased their prediction on EZ GDP and talked about how inflation will moderate as commodity prices fall. This sets the stage for ECB to say the same thing about their monetary stance, but Tuesday's GDP announcement will be key to predict their speech later on the week. Wednesday we will see an appearance by Trichet later followed by Euro-Zone retail sales. Thursday is the most important day as we have ECB and BOE deciding on interest rates. They will probably leave them unchanged but the statement of ECB after the announcement will influence price action and the way the market will behave on the following weeks. Finally on Friday we get Non-Farm Payrolls, these release will be very important because lately we've been getting better than expected news from the US, if NFP reads better dollar bulls could rush in the market again but if it continues to read worse every month people will start talking about depression/recession once again.

We're back at what we could call a technical comfort zone. We could name it this because we have the space to go either way before we touch any significant resistance. South side moves will tend to be harder every day due to the pair getting closer to supports but we still have space to move around. Lets focus on fundamentals as we get some quite important this week.

**Have a nice week and please remember to focus and be patient.**

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These are our Daily Predictions. For any question or suggestion don't doubt and contact me at [info@nexumcapital.com](mailto:info@nexumcapital.com)

Important Releases	Day/Session	Europe	US	Asia
	Monday	<b>DOWN</b>	<b>DOWN</b>	<b>STABLE</b>
EZ GDP	Tuesday	<b>STABLE</b>	<b>STABLE</b>	<b>STABLE</b>
Trichet, EZ Retail Sales	Wednesday	<b>UP</b>	<b>STABLE</b>	<b>STABLE</b>
BOE, ECB rate decisions	Thursday	<b>UP</b>	<b>STABLE</b>	<b>STABLE</b>
Ger. Industrial Production				
NON FARM PAYROLLS	Friday	<b>UP</b>	<b>UP</b>	<b>CLOSED</b>
			<b>HIGH: 1.5760</b>	
			<b>LOW: 1.5360</b>	
			<b>CLOSE: NFI</b>	

## EUR/USD

EUR/USD moved south last week; now it has space to move to either side and the market seems to be waiting for any release to trigger the move. This week we will have to focus on Rate decisions by ECB and BOE and NON-Farm payrolls. These releases will set the tone and the market will surely listen closely before they act on any side of the coin. Be patient and remain focused as opportunities come our way.

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DAILY GRAPH



EUR/USD has been moving within the channel. It seems to be waiting for a stronger release to show the market where it should move next. If a break south of 1.5460 happens, then we will have to be prepared for more USD strenght for quite a while...

Our analysis indicates Short EUR/USD every time it reaches 1.5710

- *Take Profit 1: 1.5650*
- *Take Profit 2: 1.5600*

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