



WEEKLY PUBLICATION

FX Weekly

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USD Index (DXY) - Weekly



**Bouncing from Fibonacci retracement.
Immediate gains to remain limited as studies
continue to push lower.**

The anticipated corrective pullback is underway, with prices currently finding support at the 99.85, (50%) retracement of the Nov-Jan rally. A short-term bounce is unfolding, as oversold daily studies unwind, with focus turning to the 101.73 high of 19 January. However, any tests are expected to prove difficult sustain, as weekly readings continue to dominate. In the coming weeks, further losses are looked for, as the January bear trend unfolds, with a break below 99.85 targeting the 99.43 low of 8 December. Beneath here are the 99.12 break level and 98.92 retracement, where prices need to stabilise to keep the broad 2016 rally intact. A close beneath here, however, would turn sentiment cautious once again, and signal deeper reactions as investors reduce exposure.

R3 102.95 11 Jan high
R2 102.00 congestion
R1 101.73 19 Jan high

S1 99.85 50% ret of Nov-Jan rally
S2 99.43 08 Dec low
S3 99.12 break level
S4 98.92 61.8% ret of Nov-Jan rally

GBP/USD - Weekly



Sharp bounce. Scope for higher in the coming weeks as studies improve. Immediate downside risks to remain limited.

GBP/USD has bounced sharply from the failed break below 1.2000. A short-term corrective pullback is possible, as overbought daily studies unwind, but downside risks are expected to remain limited, as momentum studies and the Tension Indicator show fresh signs of improvement. Support is at congestion around 1.2350, but any immediate break should stabilise above 1.2200 as investors adopt a positive tone. A close beneath here, however, would turn sentiment cautious once again, as focus subsequently turns back to 1.2000. In the coming weeks, fresh tests higher are looked for, with a break above the 1.2727 high of 13 December targeting critical resistance within the 1.2774-1.2810 area. This area should cap immediate tests, but if broken, the 1.3000 break level will attract in a sharp rally.

- R5 1.3000 break level**
- R4 1.2810 38.2% ret of Jun-Oct fall**
- R3 1.2796 July 2016 break level**
- R2 1.2774 December 2016 high**
- R1 1.2727 13 Dec high**

- S1 1.2350 congestion**
- S2 1.2200 break level**
- S3 1.1980 16 Jan low**

EUR/USD - Weekly



Corrective bounce intact. Short-term corrective pullback possible before further gains are seen. Weekly studies improving.

The EUR/USD bounce is intact, with prices now pressuring the 1.0710 break level from January 2016 and (38.2%) retracement of the November-December fall. A short-term corrective pullback is now highlighted, as daily studies unwind overbought areas, with potential for a test of congestion around 1.0600. Still lower is further congestion around 1.0500, but this latter level should underpin any tests, as momentum studies and the Tension Indicator continue to improve. In the coming weeks, further gains are looked for, but strong resistance at the 1.0872 high of December 2016 is expected to provide a barrier, as background monthly studies remain mixed.

R4 1.0872 December 2016 high
R3 1.0825 50% ret of Nov-Dec fall
R2 1.0774 24 Jan high
R1 1.0710 January break level, retracement

S1 1.0600 congestion
S2 1.0500 congestion
S3 1.0339 03 Jan low

AUD/USD - Weekly



Short-term pullback developing. Downside tests to remain limited as studies continue to strengthen. Background slowly improving.

AUD/USD has extended gains from December 2016, with prices managing to reach congestion around 0.7600. A short-term corrective pullback is now unfolding, as daily studies unwind overbought areas, with focus expected to turn to congestion around 0.7450. A break will open up further congestion around 0.7400, but still deeper reactions are expected to be stabilise above the 0.7284 low of 9 January, as weekly studies continue to improve and background readings also gradually strengthen. Resistance is at the 0.7625, (76.4%) retracement of the November-December fall, and is expected to cap any immediate gains. A break, however, should find difficulty clearing critical resistance at the 0.7777 high of November 2016, as stochastics are already overbought

R3 0.7777 November 2016 high
R2 0.7625 76.4% ret of Nov-Dec fall
R1 0.7600 congestion

S1 0.7450 congestion
S2 0.7400 congestion
S3 0.7284 09 Jan low

USD/JPY - Weekly



Short-term bounce to prove limited. Risk of a fresh test lower before a more sustainable stabilisation pattern unfolds.

The anticipated corrective pullback has been seen, with USD/JPY prices now posting a short-term bounce from 112.50, as daily studies turn higher. Gains are expected to remain limited, however, as the underlying bearish trend dominates, with congestion around 116.00 to provide a strong barrier. A close above here, however, would improve price action, and promote fresh consolidation beneath critical resistance at the 118.65 high of December 2016. In the coming weeks, further downside tests are looked for, as momentum studies and the Tension Indicator continue to weaken, with a break below 112.50 targeting the 112.00, (38.2%) retracement of the November-December rally. Any deeper reactions, however, should stabilise above the 109.90, (50%) retracement and 110.23 low of 22 November, as background readings continue to strengthen.

R3 119.50 76.4% ret of 2015-2016 fall
R2 118.65 December high
R1 116.00 congestion

S1 112.50 24 Jan low
S2 112.00 38.2% ret of Nov-Dec rally
S3 111.32 28 Nov low
S4 110.23 22 Nov low

USD/CHF - Weekly



Minor bounce as short-term studies unwind oversold areas. Gains to remain limited. Risk of further losses before stabilising.

The anticipated USD/CHF pullback has broken below parity, with prices currently finding support above the 0.9945, (50%) retracement of the November-December rally. A short-term bounce is highlighted, as oversold daily studies unwind, but the background bearish trend from the December 2016 highs is intact, suggesting gains should be difficult to sustain. Resistance is at the 1.0135 high of 16 January, but congestion around 1.0200 should cap any unexpected break. Falling momentum studies and the bearish Tension Indicator suggest further downside risks, with a later break below 0.9945 targeting the 0.9850, (61.8%) retracement. Extension to congestion around 0.9800 cannot be ruled out.

R3 1.0344 December 2016 year high
R2 1.0200 congestion
R1 1.0135 16 Jan high

S1 0.9955 23 Jan low
S2 0.9945 50% ret of Nov-Dec rally
S3 0.9850 61.8% ret of Nov-Dec rally
S4 0.9800 congestion

USD/CAD - Weekly



Chopy above 1.3000. Consolidation to give way to fresh losses as studies continue to weaken. Background readings also under pressure.

The anticipated USD/CAD break lower has been delayed, as price action turns choppy above the 1.3030, (50%) retracement of the 2016 rally. Congestion around 1.3000 has been tested, but prices are finding difficulty maintaining a break, as momentum studies continue to weaken and the bear signal on the Tension Indicator continues to deepen. Consolidation is expected to give way to further losses, with a break below 1.3030 targeting congestion around 1.3000. Further slippage will confirm continuation of the December 2016 bear trend, and open up the 1.2900 retracement.

R3 1.3500 congestion
R2 1.3385 20 Jan high
R1 1.3300 congestion

S1 1.3030 50% ret of 2016 rally
S2 1.3000 congestion
S3 1.2900 61.8% ret of 2016 rally
S4 1.2815 September 2016 low