



WEEKLY PUBLICATION

# FX Weekly

For further information or questions, please email: [mike.m@xatsuk.com](mailto:mike.m@xatsuk.com)

Website <https://www.xats-uk.com/>

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# USD Index (DXY) - Weekly



**Prices remain under pressure. Consolidation to turn lower as studies and sentiment continue to weaken. Background readings also waning.**

Investors are maintaining a cautious stance as the USD DXY Index extends the fall from the 101.34 high of 10 April. In the coming weeks, fresh downside tests are looked for, as the Tension Indicator continues to fall and the January bear trend dominates. Critical support at the 98.86 low of March is within reach. A close beneath here will turn investors outright bearish, as the January bear trend gains traction. Subsequent focus will then turn to the 97.90, (50%) Fibonacci retracement of the 2016-2017 rally. Resistance is lowered to congestion around 100.50 and extends to the 101.34 high of 10 April. Any immediate gains should fade within here, as background readings also weaken.

**R4 101.79 14 Mar high**  
**R3 101.45 76.4% ret of March fall**  
**R2 101.34 10 Apr high**  
**R1 100.50 congestion**

**S1 99.37 20 Apr low**  
**S2 98.86 March low**  
**S3 97.90 50% ret of 2016-2017 rally**  
**S4 96.50 61.8% ret of 2016-2017 rally**

# GBP/USD - Weekly



**Extending gains. Rising studies highlight further strength in the coming weeks. Downside tests to remain limited. Background also improving.**

GBP/USD is extending the rally from the 1.2362 low of 10 April. Prices have closed above the 1.2775 critical high of December, highlighting both completion of the triangle pattern and improvement in investor sentiment. In the coming weeks, further gains are looked for, with a break above congestion around 1.3000 targeting further congestion around 1.3200 and the 1.3235, (50%) Fibonacci retracement of the June-October fall. Support is raised to the 1.2500 break level, and should underpin any immediate downside tests. If broken, not seen, investors will move back to a cautious stance as prices fall back into congestion above 1.2362. Further slippage beneath here will add extra downside pressure and open up the 1.2105 low of March.

- R4 1.3445 September 2016 high**
- R3 1.3235 50% ret of Jun-Oct fall**
- R2 1.3200 congestion**
- R1 1.3000 congestion**

- S1 1.2500 break level**
- S2 1.2362 10 Apr low**
- S3 1.2200 minor congestion**
- S4 1.2105 March low**

# EUR/USD - Weekly



**Trading higher. Critical resistance at March highs. A close above here will confirm sustainable gains. Background studies continue to improve.**

Anticipated EUR/USD gains are unfolding, as prices extend the bounce from the 1.0568 low of 10 April. Improving momentum studies anticipate a break above congestion around 1.0800. A further close above critical resistance at the 1.0905 high of March is needed to turn sentiment outright bullish and confirm a more sustainable rally. Subsequent gains will then target the 1.0930, (61.8%) Fibonacci retracement of the November-January fall and the 1.0975, (50%) Fibonacci retracement of the 2016-2017 fall. An unexpected close below 1.0568 will delay higher levels, and add fresh weight to investor sentiment. The subsequent pullback will then target congestion around 1.0500, where improving background readings should promote renewed consolidation.

**R4 1.0975 50% ret of 2016-2017 fall**  
**R3 1.0930 61.8% ret of Nov-Jan fall**  
**R2 1.0905 March high**  
**R1 1.0800 congestion**

**S1 1.0568 10 Apr low**  
**S2 1.0555 61.8% ret of Jan-Mar rally**  
**S3 1.0500 congestion**  
**S4 1.0475 76.4% ret of Jan-Mar rally**  
**S5 1.0400 congestion**

# AUD/USD - Weekly



**Consolidating. Risk of a short-term pullback. Improving background readings to limit downside tests. Fresh gains in the coming weeks.**

AUD/USD remains supported above the 0.7445 (50%) Fibonacci retracement and 0.7450 congestion area. However, falling momentum readings and the weakening Tension Indicator highlight risk of a break beneath here. Subsequent focus will then turn to congestion around 0.7400 and the 0.7380, (61.8%) Fibonacci retracement. Any further losses are expected to give way to consolidation, as background monthly studies continue to improve. A close above congestion around 0.7600 would help to stabilise price action. However, mixed weekly readings are expected to limit any further immediate continuation, with the 0.7680 high of 30 March to prove difficult to reach.

**R3 0.7777 November 2016 high**

**R2 0.7740 February high**

**R1 0.7680 30 Mar high**

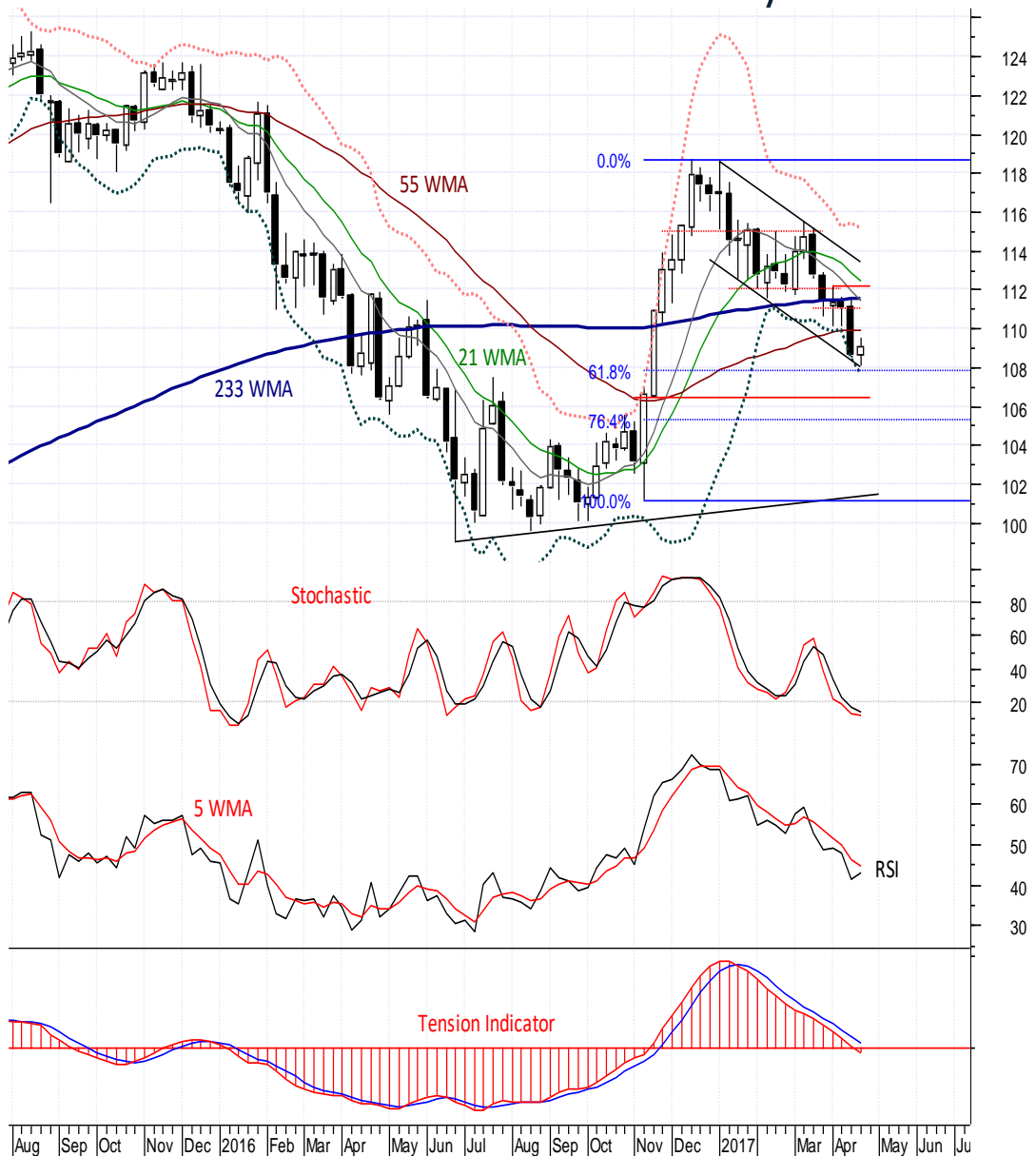
**S1 0.7450 congestion**

**S2 0.7445 50% ret of Dec-Feb rally**

**S3 0.7400 congestion**

**S4 0.7380 61.8% ret of Dec-Feb rally**

# USD/JPY - Weekly



**Attempting to stabilise. Gains to remain limited. Further losses as studies and sentiment continue to weaken. Background also under pressure.**

USD/JPY remains under pressure, as prices continue to trade within the multi-month bear channel. Support is appearing just above the 107.85, (61.8%) Fibonacci retracement. However, corrective gains are expected to find difficulty clearing congestion around 111.00 as sentiment and momentum studies continue to weaken. In the coming weeks, further losses are highlighted, as the Tension Indicator also extends lower. A break below 107.85 will target the 106.50 break level, with potential for extension to the 105.30, (76.4%) Fibonacci retracement. An unexpected close above 111.00 will delay downside risks. A further close above the 112.19 high of 31 March is needed to promote a more significant stabilisation pattern.

**R3 112.19 31 Mar high**  
**R2 111.57 10 Apr high**  
**R1 111.00 congestion**

**S1 107.85 61.8% ret of Nov-Dec rally**  
**S2 106.50 break level**  
**S3 105.30 76.4% ret of Nov-Dec rally**  
**S4 104.00 congestion**

# USD/CHF - Weekly



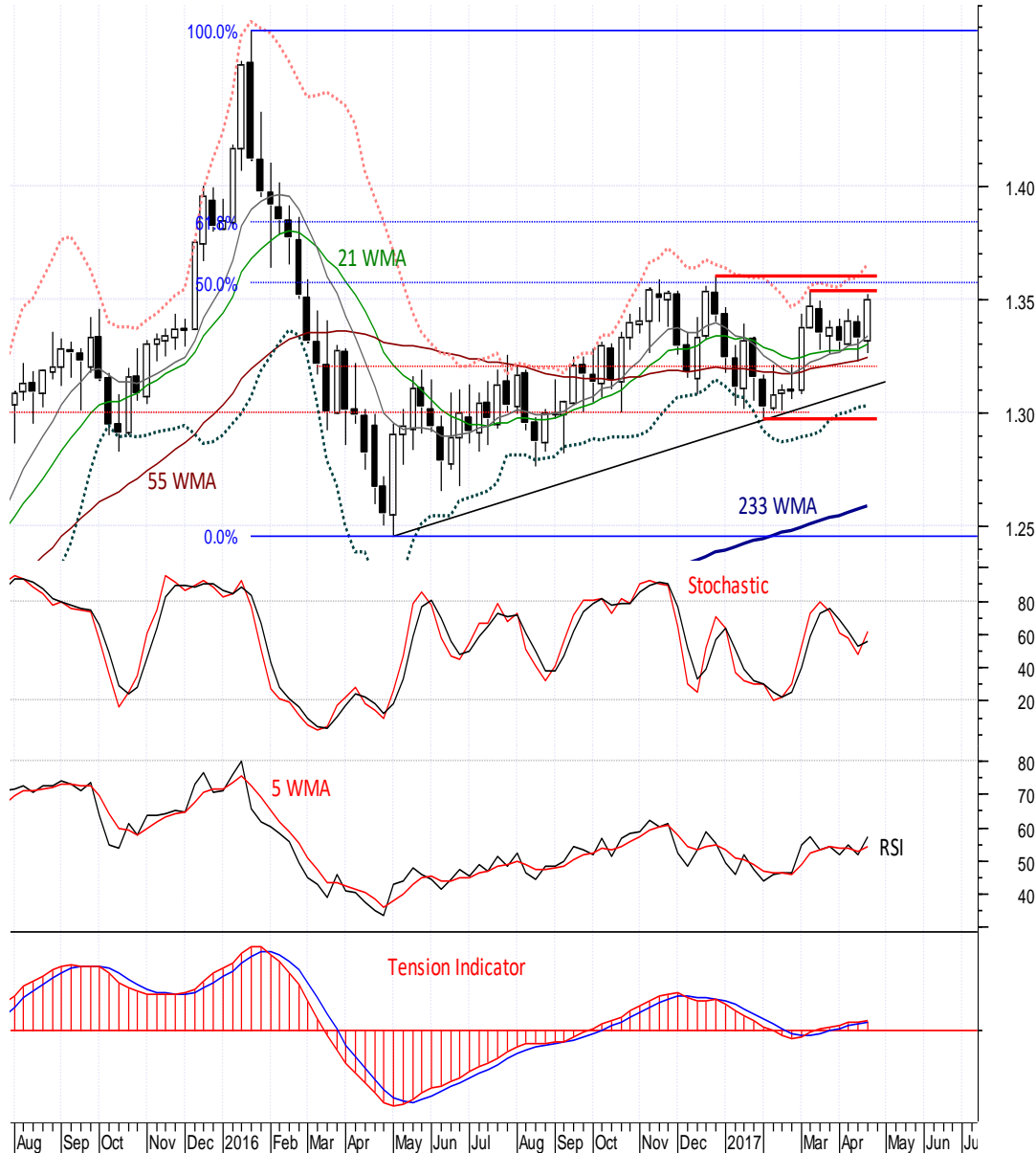
**Downside pressure increasing. Focus on critical lows from March. Risk of a later break as background sentiment also weakens.**

USD/CHF is coming under fresh selling pressure, as investors turn increasingly more cautious. The close below psychological support at parity is adding fresh weight to sentiment, with a break below congestion around 0.9920 looked for. Subsequent losses will open up critical support at the 0.9812 low of March, where consolidation could unfold. However, a further close beneath here will turn investors outright bearish as the December 2016 bear trend gains traction. Next support will then be at the 0.9730, (76.4%) Fibonacci retracement of the November-December rally. Resistance remains at congestion around 1.0100, and is expected to prove difficult to clear. A close above 1.0170, not seen, would turn investor sentiment bullish, with congestion around 1.0200 to then attract.

**R3 1.0200 congestion**  
**R2 1.0170 March high**  
**R1 1.0100 congestion**

**S1 0.9920 daily congestion**  
**S2 0.9812 March low**  
**S3 0.9730 76.4% ret of Nov-Dec rally**  
**S4 0.9700 congestion**

# USD/CAD - Weekly



**Higher in range. A close above 1.3600~ will confirm a more significant rally. Support intact at 1.3200. Background gradually improving.**

USD/CAD is extending the bounce from above congestion around 1.3200, with prices now pressuring the 1.3534 monthly high of 9 March. A short-term pullback is possible, as overbought daily studies unwind, but improving momentum studies highlight increased potential for a break to critical resistance at the 1.3570, (50%) Fibonacci retracement and the 1.3598 high of December 2016. A further close above here would confirm continuation of the broad 2016 rally, and open up congestion around 1.3750. Still higher is the 1.3835~, (61.8%) Fibonacci retracement. A close below 1.3200 will add weight to investor sentiment and delay bullish development. Subsequent losses will open up congestion around 1.3000. Critical support at the 1.2967 low of January, however, should underpin any deeper reactions, as monthly studies show gradual improvement.

**R4 1.3750 congestion**  
**R3 1.3598 December 2016 high**  
**R2 1.3570 50% ret of 2016 fall**  
**R1 1.3534 March high**

**S1 1.3200 break level**  
**S2 1.3000 congestion**  
**S3 1.2967 January low**