

# Daily FX Report

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**Monday, January 25, 2016**

Good morning from Hamburg and welcome to our first Daily FX Report of this week. Three British travelers have been infected with the Zika virus, health officials revealed this week. "As of January 2016, three cases associated with travel to Colombia, Suriname and Guyana have been diagnosed in UK travelers," Public Health England said on its website. The government agency did not provide further details about the cases but added that the virus "does not occur naturally in the UK." Zika "is not spread directly from person to person," it said.

Anyway, we wish you a successful trading day!

## **Market Review – Fundamental Perspective**

In the week ahead, investors will be looking to Wednesday's Fed policy statement for any indication that the bank is considering slowing the path of interest rate increases this year. Markets will also be looking to Friday's data on U.S. fourth quarter gross domestic product, which is expected to show that growth slowed to a modest 0.8% from 2.0% in the third quarter. Later on Monday, Australia is to release private sector data on business confidence, and in the euro zone, the Ifo Institute is to report on German business climate. ECB head Mario Draghi is to speak at an event in Frankfurt. The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was quoted at 99.63, up 0.04%. Last week, the dollar rose against the other major currencies on Friday as expectations for fresh central bank easing bolstered risk appetite, dampening safe haven demand for the yen and the Swiss franc. The yen weakened after Bank of Japan Governor Haruhiko Kuroda said Friday the central bank has room to provide additional stimulus if necessary. The dollar rose to one-month highs against the traditional safe haven Swiss franc, with USD/CHF rising 0.83% to 1.0156 in late trade. The euro remained on the defensive after European Central Bank Mario Draghi signaled Thursday that fresh easing measures could be rolled out as soon as the bank's next meeting in March. Expectations of fresh central bank stimulus bolstered sentiment in global financial markets. Global stocks strengthened after major declines since the start of the year and oil prices rebounded 10%, one of the largest daily rallies ever. Indications of further possible stimulus also underlined the diverging monetary policy stance between the Federal Reserve and other world central banks. Higher U.S. interest rates would make the dollar more attractive to yield-seeking Investors.

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## Daily Technical Analysis

### EUR/USD (Daily)

After a couple of months moving sideways, it seems that the EURUSD is back to the bearish trend, helped by Draghi's words on Friday. The mentioned pair addresses towards the next level placed at 1.0707 and then to the strong support at 1.0520. Above the current level, the bearish trend-line (T1) and the 1.0992 resistance would be the first levels to consider in case of a bounce.



### Support & Resistance (Daily)

Support Levels around	Resistance Levels around
1.0707	1.0992
1.0521	1.1500
N/A	1.1711

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## EUR/GBP (Daily)

After a long and deep bearish trend, the EURGBP has been able to bounce sharply in the last weeks, recovering around 10% from its lows a couple of months ago. Now, the pair is in between two important levels, the 0.7761 resistance and the 0.7792 support. We recommend to wait and see how the pair behaves as long it moves between these levels before taking further action.



## Support & Resistance (Daily)

Support Levels around	Resistance Levels around
0.7492	0.7761
0.6927	0.8038
N/A	N/A

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## AUD/NZD (Daily)

After the round bottom drawn in the last part of 2015, the AUDNZD might decided to fight against the bearish trend-line (T1). If this level is finally crossed, 1.0960 and then 1.1049 would be the next targets to achieve.



## Support & Resistance (Daily)

Support Levels around	Resistance Levels around
1.0725	1.0844
1.0534	1.0960
N/A	1.1049

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## Daily Calendar & Key Events

Date	Time (GMT)	Economic Indicator	Last	Survey
25/01/2016	09:00	EU German Ifo Business Climate	108.7	108.5
25/01/2016	18:00	EU ECB President Draghi Speaks		

If you have any questions, please contact us for further assistance. 24 hours a day:

German: +49 40 66 86 49 – 96

Arabic: +97 14 40 19 57 - 5

English: +49 40 66 86 49 – 96

24 h Trading Support: +49 40 66 86 49 – 32

Turkish: +49. 40. 66 86 49 – 0

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### Publisher:

Varengold Bank AG  
Grosse Elbstrasse 27  
22767 Hamburg, Germany  
T+49.40.66 86 49 0  
F+49.40.66 86 49 49