

Daily FX Report

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Thursday, May 05, 2016

Good morning from Hamburg and welcome to our latest Daily FX Report. U.S. stocks slid to a three-week low as concern that global growth remains tepid sent equities lower from Europe to developing nations. Oil traded near \$44 a barrel, while the dollar strengthened for a second day after falling to its lowest point in almost a year. The S&P 500 Index fell for the fourth time in five days, with industrial shares slipping more than 1 percent as a rebound from lows reached in February faltered. Emerging-market equities sank, while the dollar rallied amid speculation on the timing of higher interest rates in the U.S.

Anyway, we wish you a successful trading day!

Market Review – Fundamental Perspective

The dollar rose versus the yen and the euro even as a private jobs report showed U.S. employers added fewer workers last month than forecast, muddying the outlook for higher interest rates. The currency gained against most major peers after the release from the ADP Research Institute showed 156,000 workers were added in April, the least in three years and below the 195,000 addition forecast. A government report on May 6 is projected to show 200,000 extra employees joined the labor force last month. Bloomberg's Dollar Spot Index, which tracks the currency against 10 major peers, rose 0.4 percent as of 6:58 a.m. New York time, and has climbed about 1.6 percent from a one-year low reached on Tuesday. The greenback gained 0.2 percent to 106.76 yen, advancing from the 105.55 level touched Tuesday that was its weakest since October 2014. It strengthened 0.1 percent to \$1.1484 per euro. Even with neither of the officials who spoke yesterday having a vote on the FOMC this year, the dollar's reaction "just shows how sensitive the market is" about Fed's potential moves, Mellor said. The dollar has struggled in recent months as traders scaled back expectations for the Fed to raise rates. Futures contracts show just a 12 percent likelihood of an increase in June, and a 55 percent probability by December. The calculation assumes the effective fed-funds rate will average 0.625 percent after the central bank's next increase. Oil rebounded, even after a U.S. government report showed crude inventories rose by 2.78 million barrels. Analysts surveyed ahead of the data release had anticipated a stock build of 750,000 barrels in the week ended April 29. West Texas Intermediate rose 0.3 percent to settle at \$43.78 a barrel. Gold slid a third day as the dollar's rebound dimmed the metal's appeal as an alternative investment.

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Daily Technical Analysis

EUREX.FDX (Hourly)

Yesterday, the German stock index declined again more than 100 points end of day. The bearish trend reached now the prior bullish trend line and stopped. It might be very interesting if this trend line will be a support in this current market situation. The still existing bearish trend in this timeframe should be considered.



Support & Resistance (H1)

Support Levels around	Resistance Levels around
N/A	9972
N/A	10162
N/A	N/A

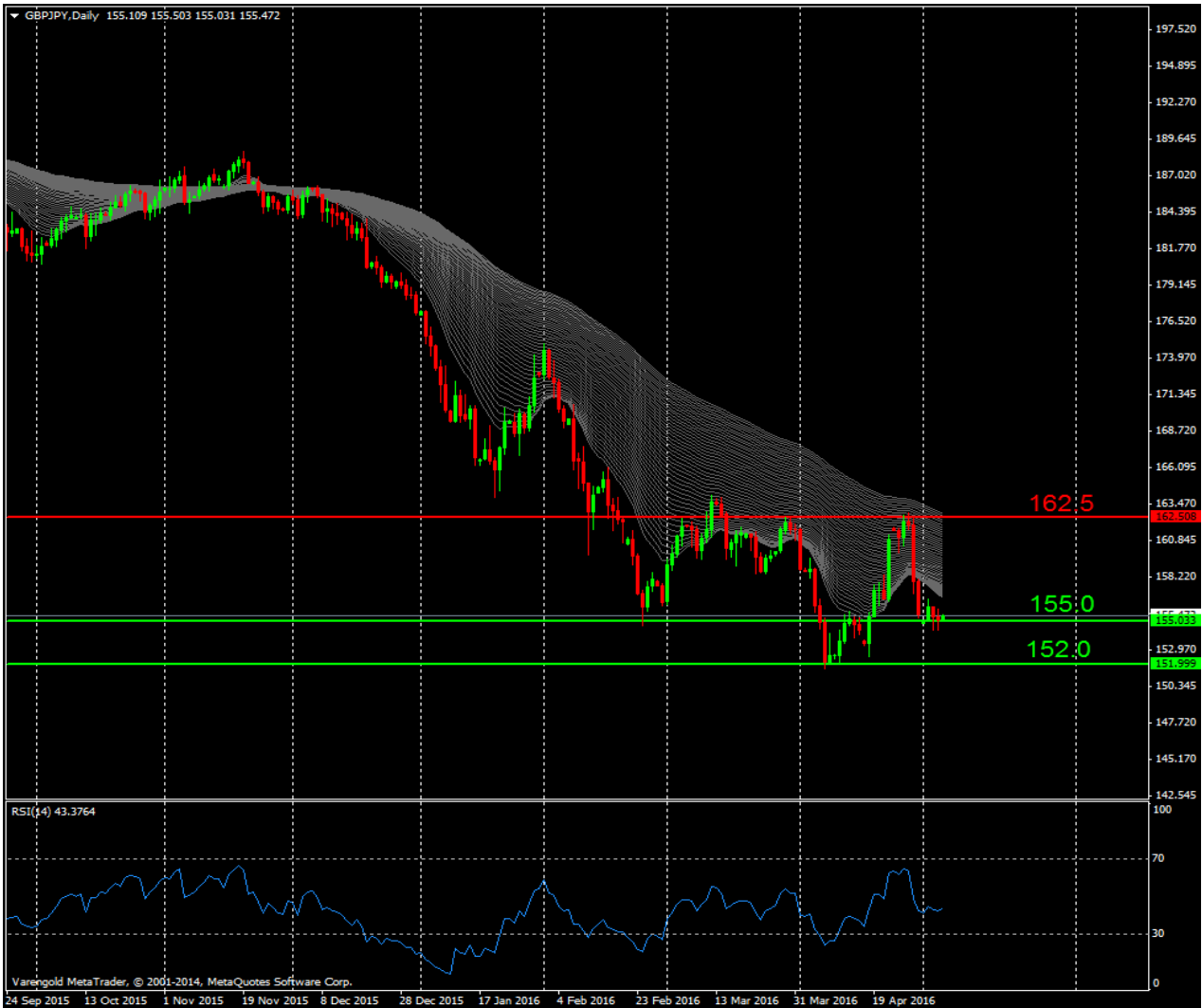
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GBP/JPY (D1)

This minor currency pair declined in a very sustainable trend over the last months. While Sterling reached new lows, the Relative Strength Index gave three times an oversold signal as you can see on the bottom. Bears started catching profits while the value has fallen to 152.0 JPY and the pullback reached to 162.5 JPY. This constellation could be a very interesting reversal setup.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
155.0	162.5
152.0	N/A
N/A	N/A

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GBP/NZD (W1)

Last year Sterling exceeded 1.8NZD since three years and bulls caught some profits. Now, the market conditions might be very interesting because of the pattern, as you can see below. It could be possible that a further break out, out of this triangle is very near. If the next support or resistance will be broken, the setup would be confirmed.



Support & Resistance (Weekly)

Support Levels around	Resistance Levels around
1.619	1.698
1.579	1.793
N/A	N/A

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Daily Calendar & Key Events

Date	Time (GMT)	Economic Indicator	Last	Survey
05/05/2016	08:30	UK Markit/CIPS UK Services PMI	53.6	53.2
05/05/2016	12:30	US Initial Jobless Claims	257k	260k

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