

Daily FX Report

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Tuesday, May 03, 2016

Good morning from Hamburg and welcome to our latest Daily FX Report. Asian stocks looked set to rally, with index futures pointing to gains as markets from Hong Kong to Malaysia start trading for the week and Japan shuts holidays. Australia's dollar maintained its advance ahead of an interest-rate review and a private gauge of Chinese manufacturing. Futures on equity measures in Sydney and Seoul climbed amid the steepest advance for U.S. stocks in two weeks, while Chicago-traded contracts on Japan's Nikkei 225 Stock Average jumped following a selloff in Tokyo Monday. Oil fluctuated below \$45 a barrel after driving a retreat in commodities despite the greenback's slump to an almost one-year low.

Anyway, we wish you a successful trading day!

Market Review – Fundamental Perspective

The dollar fell to the lowest level in almost a year amid speculation that the U.S. won't raise interest rates any time soon. The U.S. currency lost ground versus most of its major peers as traders lowered expectations for a rate increase by the Federal Reserve in June to 12 percent. The greenback slumped against Europe's shared currency for a sixth day, the longest run of losses since September, after a report showed manufacturing in the U.S. expanded less than forecast. Persistent weakness dragged the dollar down against the euro for a third straight month in April - its longest monthly losing streak since 2013 - amid signs that U.S. policy makers aren't convinced either the global or domestic economy can withstand higher borrowing costs. The U.S. has posted disappointing growth data even amid nascent signs of recovery in Europe. The Bloomberg Dollar Spot Index, which tracks the U.S. currency versus 10 major counterparts, fell 0.3 percent at 5 p.m. New York time, reaching the lowest level since May 15. It slumped 2 percent last week as the Bank of Japan's inaction coincided with Fed Chair Janet Yellen reiterating she's in no rush to cool the U.S. economy by raising borrowing costs. The greenback fell 0.7 percent to \$1.1534 per euro, the lowest level since Aug. 24. The Standard & Poor's 500 Index advanced as consumer and financial shares paced gains amid corporate results. The euro topped \$1.15 for the first time since August, while gold pared its climb after climbing above \$1,300 an ounce for the first time since January 2015. Oil fell below \$45 a barrel in New York, after a 20 percent surge in April. Brazil's real led losses among its major peers, while 10-year Treasury yields rose to 1.85 percent.

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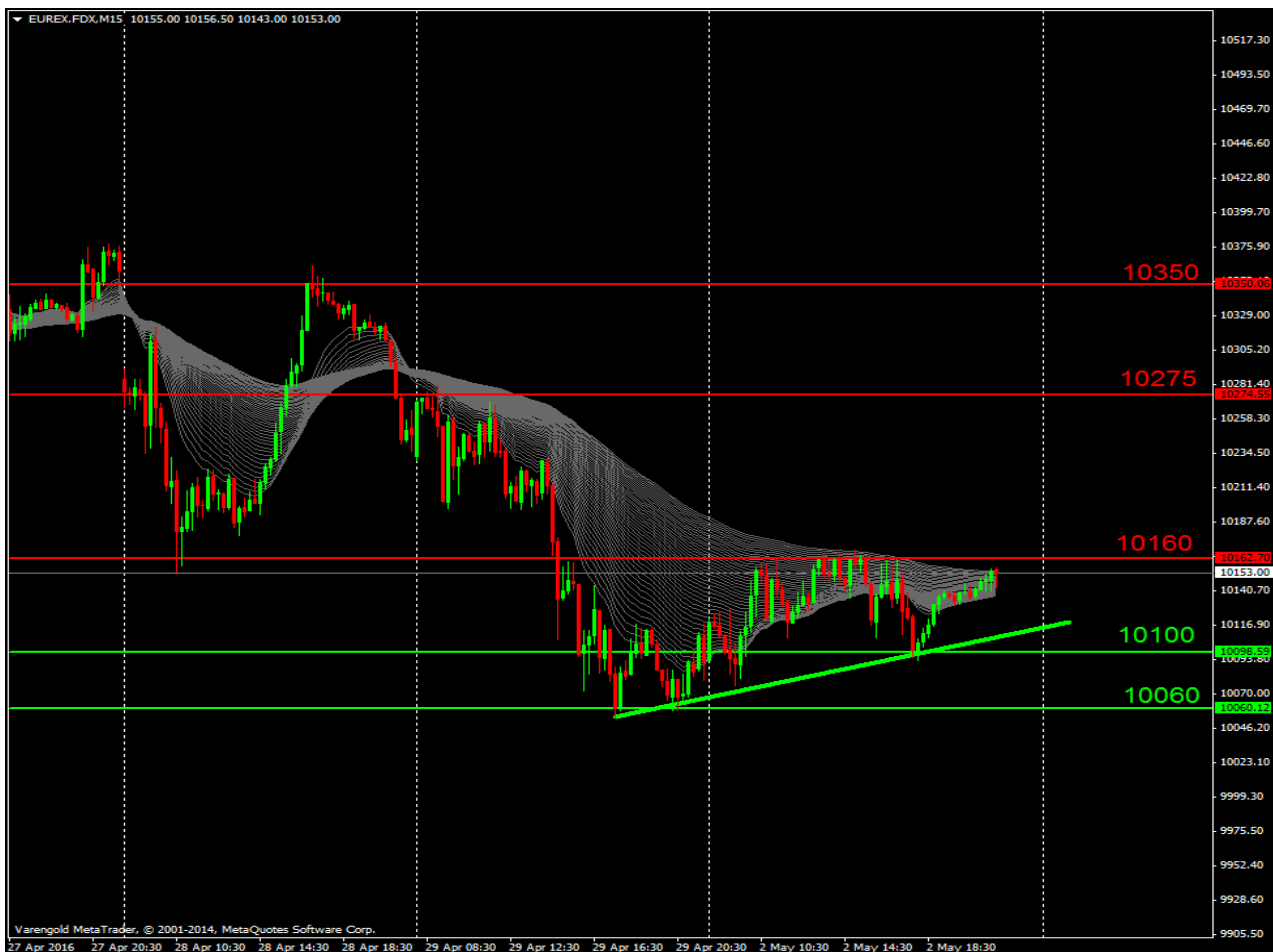
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Daily Technical Analysis

EUREX.FDX (Intraday, M15)

After the decline of more than 150 points on Friday, the German stock index recovered some losses yesterday. Bulls failed at 10160 points but found an intraday support around 10100 points. Next support and resistance might be very important for the next development after the market opening. The Average True Range could be a good support to manage the position size.



Support & Resistance (Intraday)

Support Levels around	Resistance Levels around
10100	10160
10060	10275
N/A	10350

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USD/JPY (D1)

This major currency pair declined in a very sustainable trend over the last months. While the greenback reached new lows, the Relative Strength Index gave three times an oversold signal as you can see on the bottom of the chart. This current market situation may opens speculation for a recovery or at least a further rebound. The risk management should be considered .



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
N/A	112
N/A	114
N/A	N/A

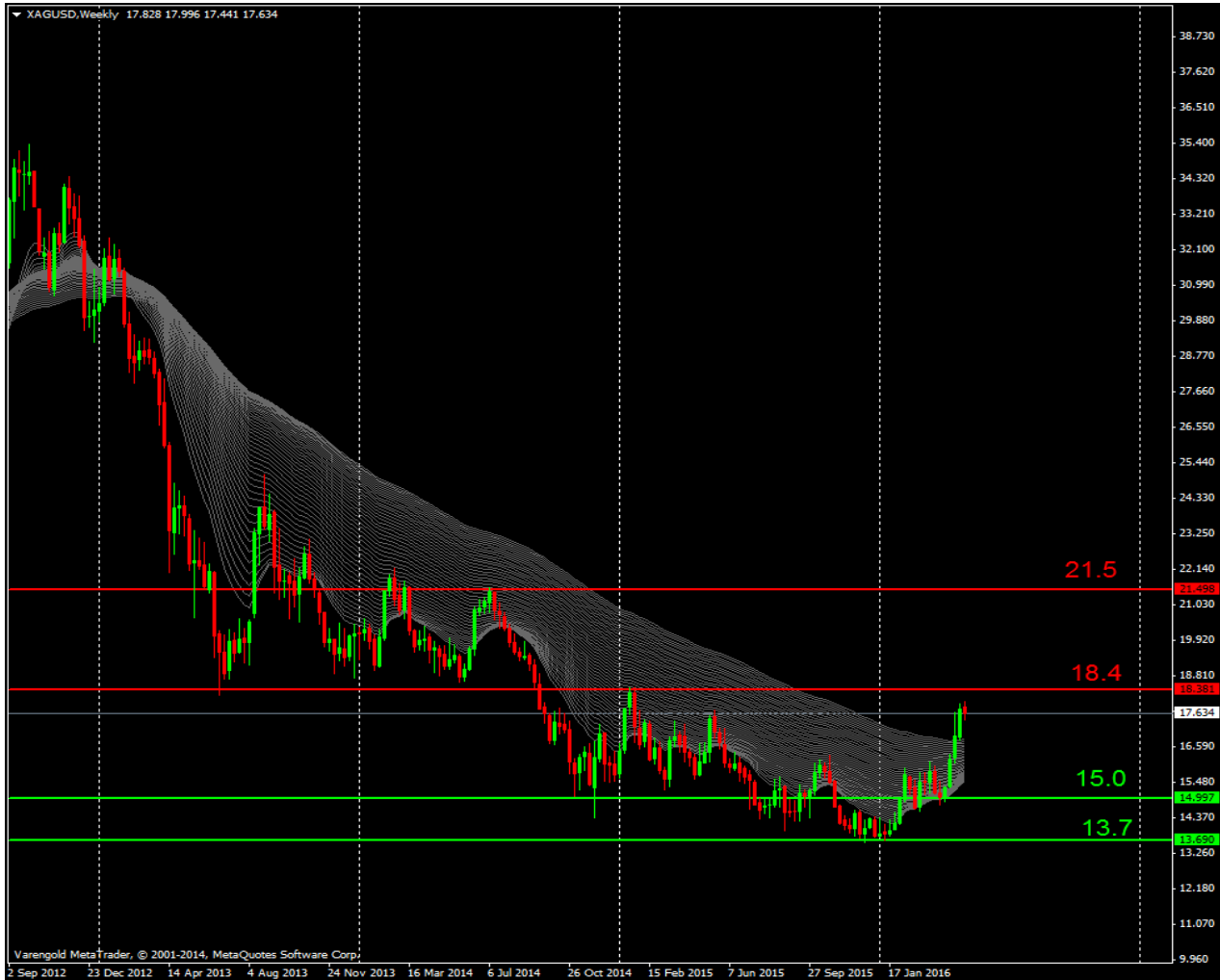
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XAG/USD (Weekly)

Silver performed very well in the first quarter of 2016 and consolidated for several weeks. Last three weeks were very strong and the price is currently very close to 18\$ per ounce. It seems to be possible that higher value could be reached, if the next resistance will be exceeded. This level is technically really important because this is also the high of 2015.



Support & Resistance (Weekly)

Support Levels around	Resistance Levels around
15.0	18.4
13.7	21.5
N/A	N/A

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Daily Calendar & Key Events

Date	Time (GMT)	Economic Indicator	Last	Survey
03/05/2016	08:30	UK Markit UK PMI Manufacturing SA	51.0	51.2
03/05/2016	09:00	EC PPI MoM	-0.7%	0.0%

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