

Daily FX Report

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Tuesday, February 02, 2016

Good morning from rainy Hamburg and welcome to our latest Daily FX Report. U.S. equities staged an afternoon rally to finish little changed, shrugging off a resumption in oil's selloff after a Federal Reserve official said policy moves are not predetermined amid the recent market turmoil. The Standard & Poor's 500 Index fell just short of a third day of gains after erasing a 1 percent decline amid advances in consumer and technology shares. Alphabet Inc. surged in extended trading on above-estimate earnings, raising the prospect it could unseat Apple Inc. as the world's most valuable company.

Anyway, we wish you a successful trading day!

Market Review – Fundamental Perspective

Currency traders are increasingly doubtful about Mario Draghi's ability to bring down the euro by delivering more policy surprises. The 19-nation currency climbed for an eighth day against the yen, its longest winning streak since December 2013, as two European Central Bank policy makers urged caution about the outlook for additional monetary stimulus at a March 10 policy meeting. For traders in the \$5.3 trillion-a-day market, it's a case of once bitten, twice shy. ECB officials already under-delivered in December when they announced a stimulus package that was less aggressive than investors anticipated, raising the question of whether Draghi can muster the support he needs from regional members to expand the program. The euro rose 0.4 percent to 131.74 yen at 5 p.m. New York time and added 0.5 percent to \$1.0888. The single currency rose versus most of its 16 major peers. Draghi said Jan. 21 he'll consider all the measures that'd boost the region's inflation rate. The ECB has reduced benchmark interest rates below zero and undertaken bond-buying to bolster economic growth in the region, policies that tend to reduce the relative allure of the shared currency. The Bloomberg Dollar Spot Index fell 0.2 percent after rising 1.6 percent in January. The euro gained 0.5 percent to \$1.088, even after a report showed factories in the euro area cut prices of goods by the most in a year in January. The yen held losses against the dollar, trading at 121.26 after slumping as much as 2.3 percent on Friday to 121.69, its lowest since Dec. 18. The Bloomberg Commodity Index fell 1.3 percent, having climbed 2.6 percent last week, the most since October. West Texas Intermediate oil futures dropped 4.1 percent to \$32.23 a barrel, ending a four-day rally, while copper was down 1 percent at \$4,517 a metric ton.

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Daily Technical Analysis

EUR/JPY (Daily)

At the end of January the shared currency recovered most of its losses from the beginning of 2016. This strong reversal slowed down now, at the significant bearish trend line. In the current market situation, bulls seems to be clearly superior, while the level of 127 Yen was supporting. It might be possible that bulls are able to take important resistances, if this trend line will be exceeded.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
127.3	134.0
N/A	136.6
N/A	138.8

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NZD/CAD (Daily)

Technically, the New Zealand dollar is in a strong upward trend since the end of last year. Yesterday the price reached the last high around 0.90 Canadian dollar, this level seems to be very important, because of the bullish trend line at the same area. It might be possible that this long trend continues, if fundamental data shows a similar view on this currency pair.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
0.90	0.95
0.86	N/A
N/A	N/A

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USD/JPY (Daily)

After a sharp selloff in August 2015, most of the losses were covered and the level below 117 Yen was tested again. On monthly view, the January was a strong reversal, where bulls power were able to make a turnaround. It seems to be possible that further bullish movements close to next important resistances going on, if fundamental data are supporting.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
116.80	123.60
N/A	125.15
N/A	N/A

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Daily Calendar & Key Events

Date	Time (GMT)	Economic Indicator	Last	Survey
02/02/2016	09:55	GE Unemployment Change (000's)	-14k	-8k
02/02/2016	10:30	UK Markit/CIPS UK Construction PMI	57.8	57.5
02/02/2016	11:00	EC Unemployment Rate	10.5%	10.5%
02/02/2016	22:45	NZ Employment Change QoQ	-0.4%	0.8%

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