

Daily FX Report

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Friday, January 29, 2016

Good morning from Hamburg and welcome to our latest Daily FX Report. This week, after 67 years, the original Land Rover Defender ends production. With more than two millions produced, the old Land Rover Defender is a vehicle that enjoys as much affection as other motoring icons, like the VW Beetle, the Ford Mustang or the original Mini. Designed primarily for farmers and the military, had an expected shelf life of a few years. However, when its sales comfortably outstripped those of regular Rovers, the Land Rover standalone brand was born.

Anyway, we wish you a successful trading day!

Market Review – Fundamental Perspective

EUR/USD rose considerably on Thursday, reaching near one-month highs, as foreign exchange traders continued to digest a relatively neutral monetary policy statement from the Federal Reserve after the completion of its two-day January meeting one session earlier. At one point on Thursday, the euro surged to its highest level against the dollar in more than two weeks. After suffering a three-day losing streak versus the dollar at the end of last week, the euro has closed higher against its American counterpart in each of the last four sessions. Investors on Thursday continued to react to a decision by the Federal Open Market Committee (FOMC) to leave short-term interest rates unchanged. Citing weakness in the global economy and sluggish inflation, the FOMC voted unanimously on Wednesday afternoon to hold its benchmark Federal Funds Rate at its current range between 0.25 and 0.50%. The decision came just over a month after the Fed began its first tightening cycle in nearly a decade with its first rate hike in seven years. A wide sampling of economists are largely split on the direction the Fed will head in with its next move, after reviewing a January statement rife with ambiguity. Analysts appeared divided on whether the statement indicates that the Fed could be leaning toward a subsequent rate hike in March or if the U.S. central bank could delay further tightening measures beyond the first quarter. The decision, according to the Fed's statement, will hinge on evolving labor market conditions, inflation expectations and developments in the global financial markets.

In the euro zone, industrial sentiment for January fell 3.2 points on the month, slightly below forecasts for a 2.4% decline. In addition, economic sentiment in January fell to a reading of 105, just under consensus expectations of 106.4.

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Daily Technical Analysis

EURUSD (Daily)

Very positive week for the euro against its American counterparty. The shared currency has been able to end positive in the last sessions helped by a less hawkish message by the Fed about future interest rate hikes. Technically the EURUSD is close to the bearish trend-line (T1) and the 1.0992 resistance so, from now on, it should be more difficult to continue climbing, increasing the odds for a pull-back to the 1.0774 area.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
1.0774	1.0992
1.0707	1.1062
1.0521	1.1500

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EUR/JPY (Daily)

Technically, EURJPY was yesterday able to cross easily the 129.61 resistance (now support) and continues climbing from its lows to the next target at the bearish trend-line (T1), around 132.20, helped by an improved market sentiment and rising oil prices. However, we see the T1 as a very strong resistance, so we assume to close long positions near this level, opening longs again only if the price crosses the mentioned line.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
129.60	T1
126.15	132.20
N/A	134.70

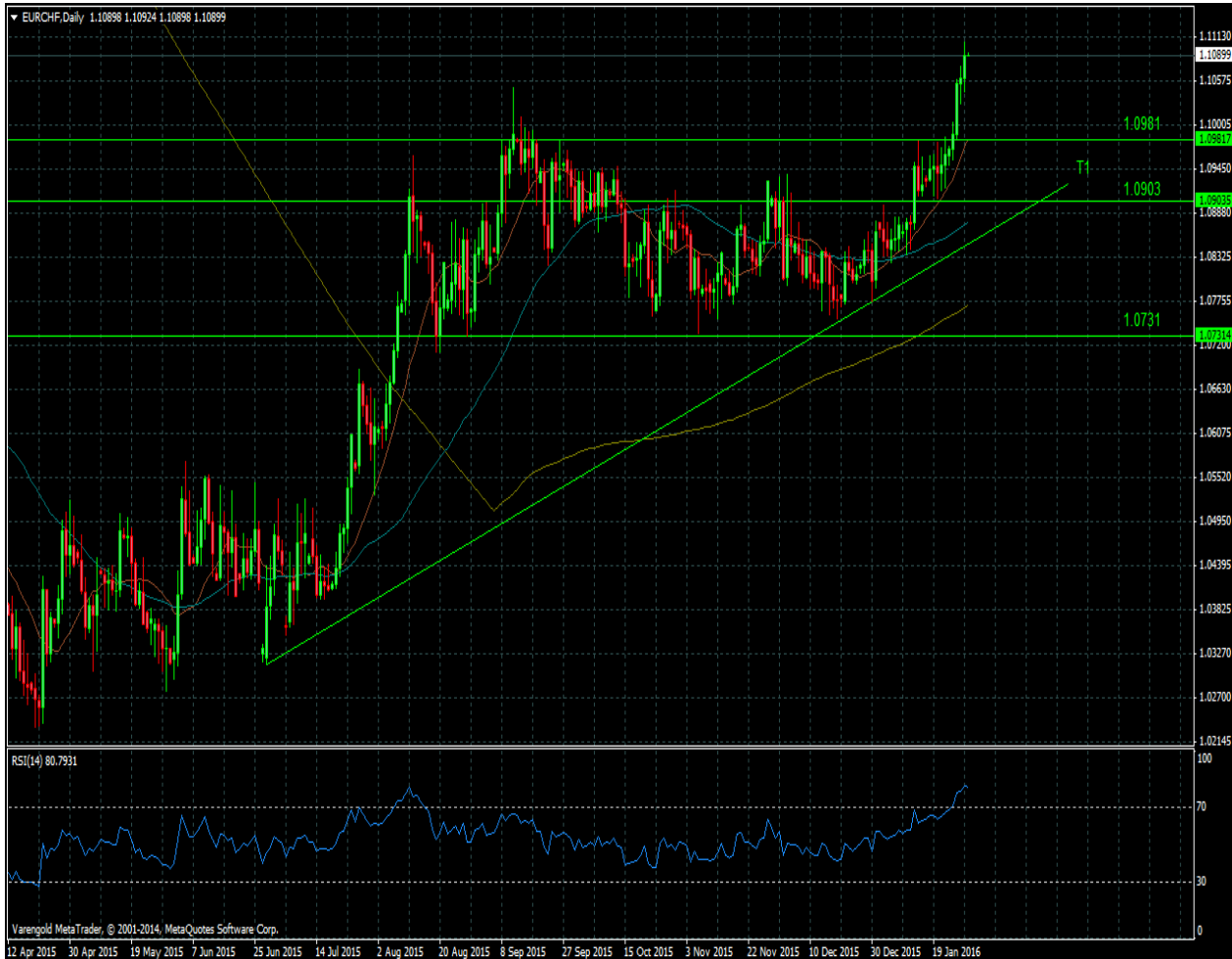
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EUR/CHF (Daily)

Technically, EURCHF is very bullish in all time frames, no identifying resistances or bearish divergences despite the overbought RSI. If you are already long in this pair, congratulations. Below the current price, 1.0981 and 1.0935 appear as the closest supports, no one particularly strong. More reasonable seems to keep an eye on the T1 for future decisions.



Support & Resistance (Daily)

Support Levels around	Resistance Levels around
1.0981	N/A
1.0903	N/A
1.0731	N/A

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Daily Calendar & Key Events

Date	Time (GMT)	Economic Indicator	Last	Survey
29/01/2016	Tentative	JP Monetary Policy Statement		
29/01/2016	05:00	JP BoJ Outlook Report		
29/01/2016	Tentative	JP BoJ Press Conference		
29/01/2016	10:00	EU CPI Flash Estimate y/y	0.2%	0.4%
29/01/2016	13:30	CA GDP m/m	0.0%	0.3%
29/01/2016	13:30	US Advance GDP q/q	2.0%	0.8%

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

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