

Wednesday, April 30th, 2014

Dollar

Currency	Trend		Exp.Range	Support			Spot	Resistance		
	Weekly	Fortnightly		S3	S2	S1		R1	R2	R3
DXY Index	Neutral	Neutral	79.65-82.30	79.23	79.38	79.55	79.79	80.00	80.25	80.54

- Ahead of FOMC statement, Dollar Index gained after loosing for 5 consecutive days and closing up along with US equities covering losses of previous trading sessions. DXY Index surged by 0.33 percent to mark intraday high of 79.84 levels against basket of six major currencies yesterday.
- US Indices recovered losses incurred in previous trading sessions as US bourses posted closing in green yesterday. S&P 500 spiked by 0.48 percent followed by Dow Jones Industrial Average inched higher by 0.53 percent and lastly NASDAQ edge upwards by 0.72 percent.
- CB Consumer Confidence missed expectations to mark levels of 82.3 against 83.9 reported earlier. Data insights indicated that “present situation” component along with “current employment differential” component declined while the “expectations for six months” component remained unchanged.
- S&P/CS Composite-20 HPI remained inline with expectations to register 12.9 percent against 13.2 percent reported earlier. Rising mortgage rates along with severe winter weather suppressed demand for property values.
- Unlike US markets, Asian indices trade in mix since morning. Hong Kong’s Hang Seng inched lower by 1.39 percent followed by Kospi staying lower by 0.15 percent while in contrast Shanghai Composite Index edging upwards by 0.30 percent and lastly Nikkei 225 surge by 0.11 percent. In currency market, greenback stayed modestly higher across the board.
- Advance GDP, FOMC Statement and Federal Funds Rate are key events lined later today. Among minor set of releases, Employment Cost Index, Chicago PMI and Crude Oil Inventories are scheduled later today. DXY Index is expected to take cues from above stated releases during the day.

DXY: DXY index failed to breach psychological levels of 80.00 since morning. There is no major change in technical view as range of 79.55-80.00 levels stated in previous report remains intact. Breakout on either direction would indicate clear direction going ahead.

Euro

Currency	Trend		Exp.Range	Support			Spot	Resistance		
	Weekly	Fortnightly		S3	S2	S1		R1	R2	R3
EURUSD	Neutral	Neutral	1.3750-1.3905	1.3751	1.3782	1.3800	1.3806	1.3835	1.3872	1.3905

- The single currency which was trading well above 1.3850 levels and even touched a high of 1.3880 levels in the previous session seems to have changed its course and is picking up on a reversal trend. The European Bourses are down as the FTSE fell by 5.9 points and German DAX lost by 13 points almost in the previous trading session.
- The single currency would be awaiting two important events from the U.S economy the NFP data and the FOMC statement. This could possibly influence the currency in a negative way if dollar strength is seen post data release.
- Hungary's producer prices fell in March at a faster-than-expected rate, as producer price index dropped by more than 1.9 percent year-on-year basis. This was mainly due to the domestic prices sinking by 2.5 percent.

EURUSD: The currency pair in the next session would be seen testing the 1.3800 psychological level and if that is broken then the next support of 1.3789 (Ichimoku Kijun Sen). The resistance level will be seen for the pair at 1.3831 (Senkou span) and after that the next one at 1.3880 (Last sessions high).

Sterling

Currency	Trend		Exp.Range	Support			Spot	Resistance		
	Weekly	Fortnightly		S3	S2	S1		R1	R2	R3
GBPUSD	Up	Positive	1.6650-1.7030	1.6710	1.675	1.6790	1.6815	1.6870	1.6915	1.6956

- The Cable faltered as the UK GDP data missed estimate. The pair was trading around 1.6830 levels before the release of GDP data, the pair dropped below 1.68 and immediately bounced back above the line of 1.68 after the publication of data but closed for the day at 1.6792
- British economy grew at faster pace in the first quarter of 2014, across major sector. 1st quarter Preliminary GDP printed gain of 0.8% though falling short of the expectation. The annual growth was slightly weaker than the estimate of 3.2%.
- UK stocks rallied as preliminary GDP data printed accelerated economic growth in 1st Quarter. The FTSE 100 rose 69.75 points or 1.04% to 6769.91 at the close of trading in London.
- Monetary policy committee member's meet scheduled later today, to decide on the nation's monetary policy framework.

GBP/ USD – The pair yesterday traded within a range of 54 pips but despite a positive GDP number published, the pair has not breached on either side and therefore it suggests a range bound movement. Both the oscillators, RSI & Slow stochastic are giving mixed signals, but the

consolidation in the pair near the 4.5 year high forming a not so appropriate flag pattern, could give a break out in the pair to touch 1.69.

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