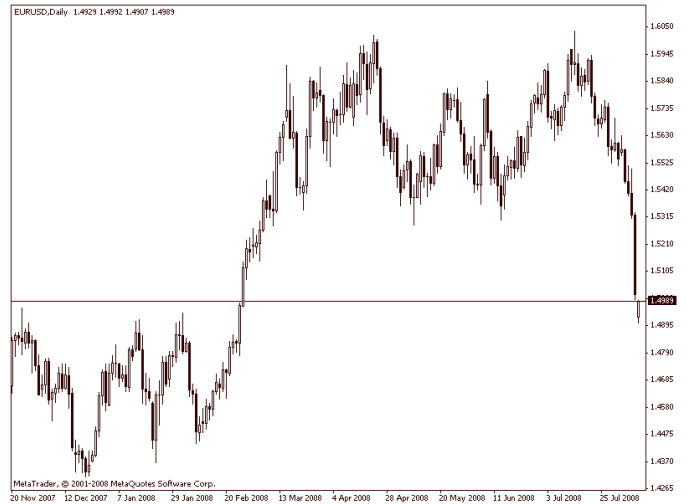


The US Dollar fell back below 1.5 versus the Euro

The euro depreciated sharply versus the US dollar on Friday and reached its lowest level since 27 February falling below 1.50, with oil prices tumbling below 115 dollars per barrel. The dollar registered its strongest daily gain in seven years after the European central bank President Jean-Claude Trichet highlighted the increasing risks to eurozone growth. He warned that if inflation rises above 5%, it will be difficult for monetary policy to have any effect, fighting it. The Japanese government also cautioned that the country's economy might be in recession. In US news, Q2 non-farm productivity grew an annualized 2.2% in Q2, less than the 2.7% gain that was expected, while unit labor costs were up 1.3%, below the 2.5% increase in Q1. June wholesale inventories were up 1.1% with wholesale sales up 2.8%. The British pound also lost ground against the US dollar although data released in the UK saw CML mortgage repossessions reach its highest level in twelve years, jumping to 18.9 thousand.

EUR/USD

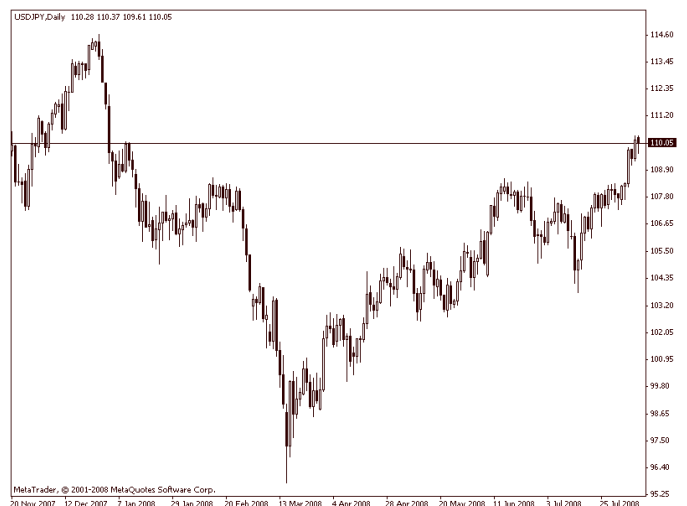
The continuing drop of the euro pushed the pair down towards the key support level at 1.4525, which is 61.8 fibo-retracement of 1.4308 – 1.6030 upward movement. Even the strong psychological level at 1.5000 could not limit the strong downward trend. Overcoming of this level opens potential for further drop to 1.4850 level, followed by 1.4700 and 1.4525. On the upside, resistance is seen at 1.5000, followed by 1.5150 and 1.5300.



Support	1.4850	1.4700	1.4525
Resistance	1.5000	1.5150	1.5300

USD/JPY

After the significant rise from the previous day, the short term picture remains unchanged and the level at 110.50 continues to show resistance to the upward movement. If broken successfully, next resistances will be 111.20 and 113.40. On the downside, support is seen at 109.10, followed by 107.90 and 107.30.



Support	109.10	107.90	107.30
Resistance	110.50	111.20	113.40

GBP/USD

The negative trend for the sterling remains and the pair moves towards the solid bottom at 1.9170. If broken successfully, next supports will be 1.9075 and 1.8960. If the upward movement is resumed, on the upside, resistance is seen at 1.9360, followed by 1.9530 and 1.9570.



Support	1.9170	1.9075	1.8960
Resistance	1.9360	1.9530	1.9570

The information in this FX analysis is collected from different sources and should serve for informative purposes only. Bulbrokers shall not be held responsible for the validity of the presented information. No part of this analysis recommends the purchase or sale of a currency pair or any other financial instrument.

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