

Euro extends its loss against the US dollar to a six-month bottom

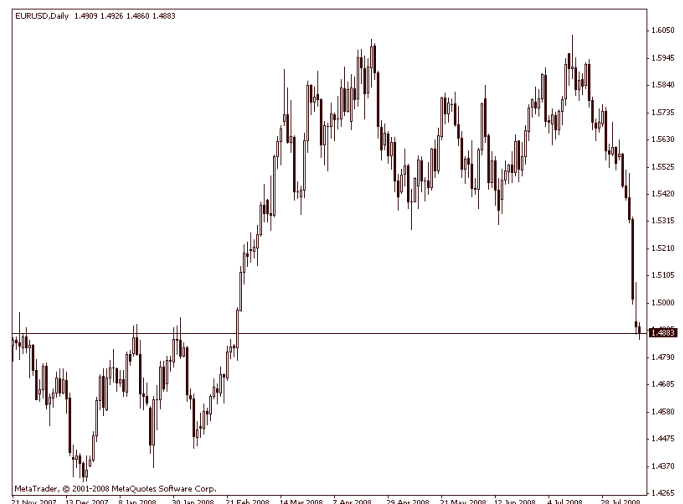
The US dollar expanded its rally to six-months-high against the euro on Monday, boosted by another drop in crude oil prices to \$114 per barrel. Declining oil prices helped ease worries about the impact of higher energy costs on the US economy and also helped boost demand for the greenback. The euro continued to be under serious pressure after ECB's President Trichet last week provided a pessimistic economic growth forecast for the eurozone growth. The speech rose investors' expectations that next ECB rate move will be to lower rates rather than raise them. Data released in the eurozone saw German July wholesale prices up 1.4% m/m and 9.9% y/y.

The British pound continued to weaken against the US dollar and even reached its lowest level since November 2006. The negative pressure came from the economic data released during the day that fueled speculations Bank of England's Monetary Policy Committee will be forced to reduce the interest rate very soon. The data released in UK saw June output prices up 0.4% m/m and 10.2% y/y, their highest annual rate since 1986 but below expectations. Input prices were down 0.6% m/m and 30.1% y/y. June trade deficit widened to £7.7 billion.

The yen finally managed to advance versus the US dollar, after its poor performance during the last couple of days. The Japanese currency was supported by the Economy minister Yosano, who reported the government will issue its economic stimulus package details by the end of the month. Still, most traders believe Bank of Japan's Policy Board will keep the overnight call rate unchanged at 0.50% for the next several months.

EUR/USD

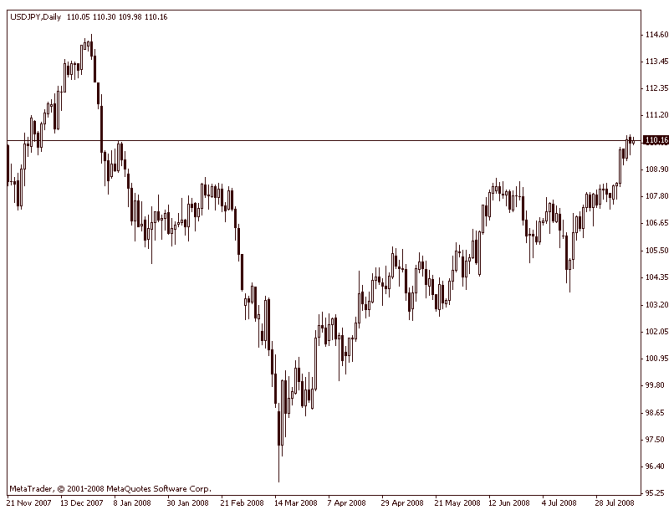
The euro continues to expand its loss against the dollar and trades close to the key support level at 1.4850. Overcoming of this level will open potential for further drop to 1.4700, followed by 1.4525. On the upside, resistance is seen at 1.5000, followed by 1.5150 and 1.5300.



Support	1.4850	1.4700	1.4525
Resistance	1.5000	1.5150	1.5300

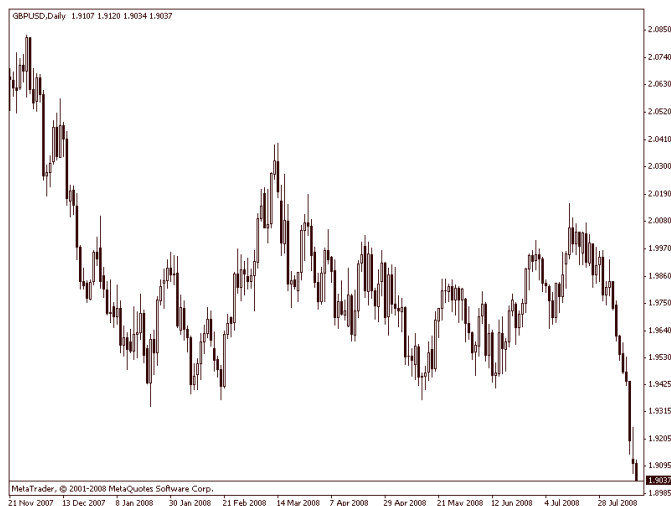
USD/JPY

The pair consolidates 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

resistance is seen at 1.9170, followed by 1.9360 and 1.9530.



Support	1.9075	1.8960	1.8885
Resistance	1.9170	1.9360	1.9530

GBP/USD

The negative trend for the sterling remains and the pair moves towards the next short term support at 1.9075. If broken successfully, next supports will be 1.8960 and 1.8885. If the upward movement is resumed, on the upside,

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.

Contact phone number: + 359 2 4893 715, 359 2 4893 798 e-mail:forex@bulbrokers.bg