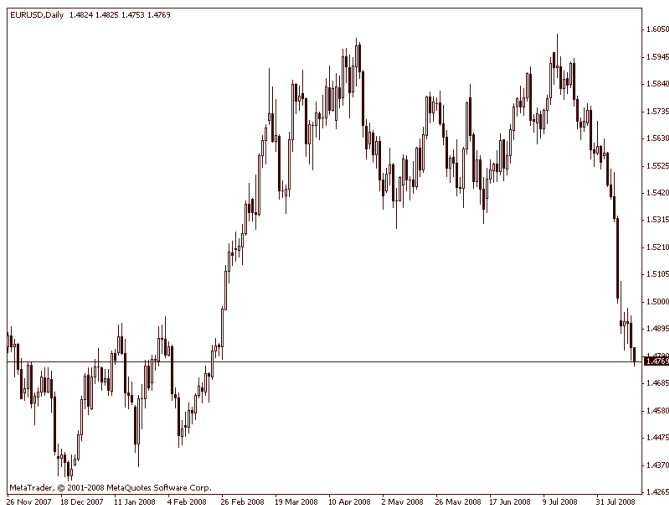


GDP contraction in the Eurozone supported the US dollar

The euro continued its negative trend against the US dollar as the single currency continues to consolidate some of the losses it has realized over the past couple of weeks. The eurozone's economy shrank in size in last quarter from April to June to -0.2% q/q and was up 1.5% y/y. These data raised the possibility the European Central Bank policymakers to cut rates soon. On the other side the high inflation may stop the central bank of taking this decision. Revised July consumer price inflation data saw annualized inflation at 4.0% in the eurozone, down from the provisional 4.1% reading. Germany's economy also contracted to -0.5% and final July CPI was up 0.6% m/m and 3.3% y/y. In US the CPI also rose significantly in July - up 0.8% m/m and 5.6% y/y. That data may force Fed to raise interest rates to reduce the inflation pressure over the customers, which form with their spending two thirds of US economic activity. The labor market continued to show weakness as weekly initial jobless claims rose to 450 thousand. The yen continued to weaken versus the US dollar today as traders now price as a very small the chance the central bank to raise interest rates in the next year. Meanwhile, the British pound took a breath and consolidated in narrow range against the US dollar. The Sterling has fallen more than fourteen big figures over the past five weeks.

EUR/USD

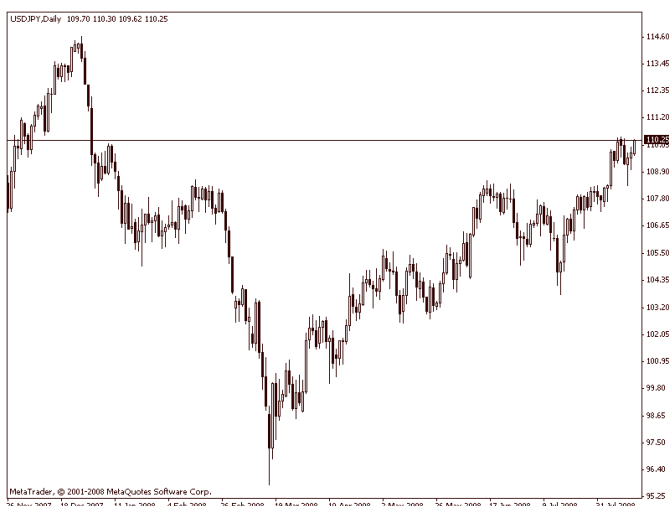
The dollar continued to rise against the euro and broke its short term support at 1.4850. On the downside, resistance is seen at 1.4700, followed by 1.4525 and 1.4440. On up side break of psychological level at 1.5000 will open a potential for further rise to 1.5150, followed by 1.5300.



Support	1.4700	1.4525	1.4440
Resistance	1.5000	1.5150	1.5300

USD/JPY

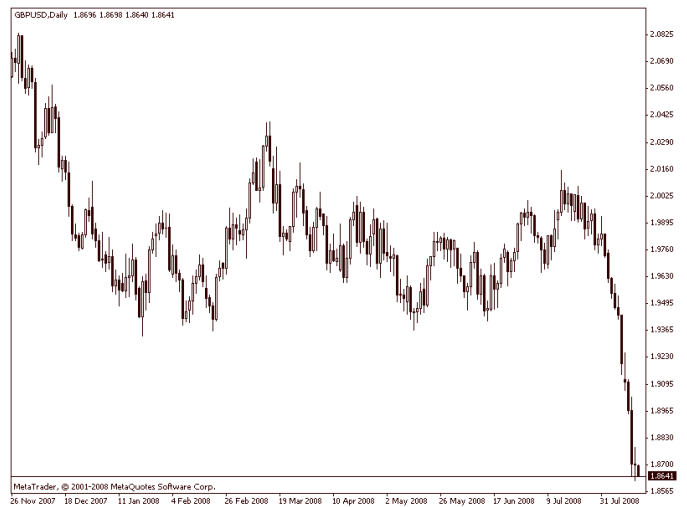
The pair rose modestly and reached levels around 110.00. The short term picture remains unchanged and the level at 110.50 continues to show resistance to the upward movement. If broken successfully, next resistances will be 111.20 and 113.40. On the downside, support is seen at 108.30, followed by 107.90 and 107.30.



Support	108.30	107.90	107.30
Resistance	110.50	111.20	113.40

GBP/USD

The pound took a breath as traded in narrow range around 1.8650 levels. The short term support at 1.8586 is now on target. If broken successfully, next supports will be 1.8170 and 1.8000. If the upward movement is resumed, on the upside, resistance is seen at 1.8885, followed by 1.9075 and 1.9170.



Support	1.8586	1.8170	1.8000
Resistance	1.8885	1.9075	1.9170

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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