

### The dollar extended its losses

The dollar continues to relinquish its gains versus the majors in Tuesday trading, falling to 1.4791 against the euro and giving back the 110-handle versus the yen. Rebounding oil and commodity prices, combined with more evidence of deterioration in the US housing market prompted further profit taking in the greenback. Crude oil edged up to a session high of 116.12 but closed at 114.31 while spot gold recovered above the \$800-level to \$810/oz.

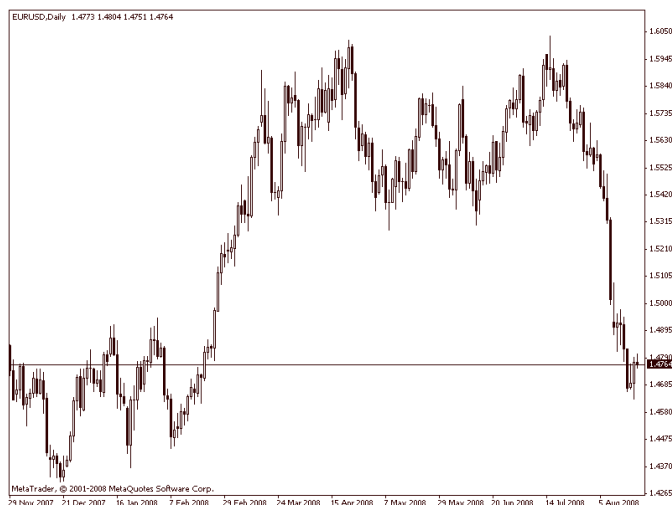
The economic reports released through yesterday's session saw housing starts slump by 11% to 0.965 mln. units in July, down from 1.066 mln. units a month earlier. Building permits reversed the 16.4% increase in June, sinking by 17.7% to its lowest level in 17-years at 0.937 mln. units, sharply down from the previous 1.138 mln. units. Meanwhile, producer prices firmed in July as core PPI increased to 0.7% up from 0.2% a month earlier and 3.5% compared to 3.0% from the previous month. Headline producer prices shot up to 9.8% versus 9.2% from the previous year.

The yen advanced for a second day versus the dollar on speculations that credit market losses at financial firms including Lehman Brothers Holdings Inc. will deepen, reducing demand for higher-yielding assets funded by loans in Japan.

Today the focus will be on the minutes from the last meeting of Bank of England and Canada's June retail sales data.

### **EUR/USD**

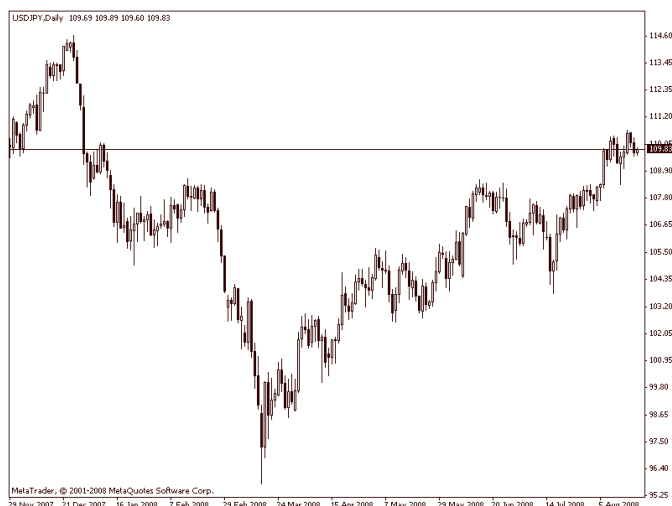
The euro strengthened against the dollar, passing above 1.47 and putting the focus on 1.48. Today the European currency will expect first resistance at 1.4875, followed by 1.4970 and 1.5175. The last two are 61.8% and 50.0% Fibo of the 1.4310-1.6035 movement. On the opposite direction first support remained at 1.4600, followed by 1.4440 and the key level at 1.4300.



<b>Support</b>	1.4590	1.4440	1.4300
<b>Resistance</b>	1.4760	1.4970	1.5175

### **USD/JPY**

The dollar fell against the yen for a second consecutive day, remaining below 109. First support of the U.S. currency is expected at 108.60, followed by 107.42 and 105.70, as the second one is 61.8% Fibo of the 114.63-95.75 movement. On the opposite direction, resistances are seen at 111.80, 113.50 and 114.65.



<b>Support</b>	108.60	107.42	105.70
<b>Resistance</b>	111.80	113.50	114.65

### GBP/USD

The sterling finished the day with a new gain versus the dollar but its still under 1.87. Today first support of the cable remains at 1.8512, followed by 1.8175 and 1.8000. On the opposite direction resistances are seen at 1.8890, 1.9140 and 1.9360, as the first two are 23.6% and 38.2% Fibos of the 2.0153-1.8512 movement.



Support	1.8512	1.8175	1.8000
Resistance	1.8890	1.9140	1.9360

*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