

### The dollar reversed its negative trend from the past two days

The U.S. dollar rose on Wednesday, snapping a two-day losing streak, supported by perceptions that slowing global economic growth may prompt a wave of interest rate cuts outside the U.S. The greenback clung to gains in quiet trade despite a rebound in crude oil prices to around \$115 a barrel. The dollar index came within striking distance of its 2008 highs touched on Tuesday. The euro reached an intraday low at 1.4671, but it managed to finish the day near 1.4750, due to the increase in the crude oil price. Today the dollar may fall against the euro before Fed's report, which is expected to show a decline for a ninth consecutive month in the Philadelphia manufacturing.

### **EUR/USD**

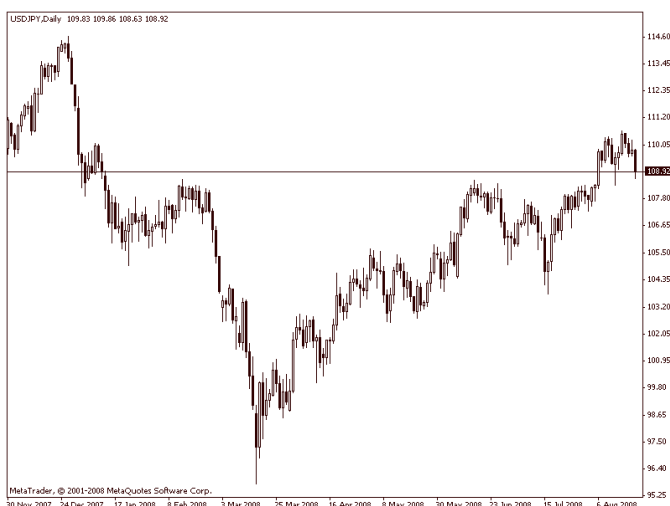
The euro continues to trade in a narrow range against the dollar, as the borders are 1.46 and 1.48. A break above 1.48 will meet a short-term resistance at 1.4875, followed by the key level at 1.4960 which is also 23.6% Fibo retracement of the 1.6035-1.4629 movement. On the opposite direction, first support is 1.4600, followed by 1.4440 and the key level at 1.4300.



<b>Support</b>	1.4600	1.4440	1.4300
<b>Resistance</b>	1.4800	1.4875	1.4960

### **USD/JPY**

The dollar erased its early gains versus the yen after the Wall Street Journal reported that executives of mortgage-finance company Freddie Mac were scheduled to meet with U.S. Treasury Department officials yesterday. Yesterday the dollar rose above 110, but after the report about Freddie Mac it limited its gains to minimum and finished the day at 109.85. The bearish outlook for the dollar remains as short term support is expected at 109.00, followed by the key level round 107.20 and 105.70, the second one is 61.8% Fibo of the 114.63-95.75 movement. On the opposite direction, resistances are seen at 110.65, 111.80 and 113.50.



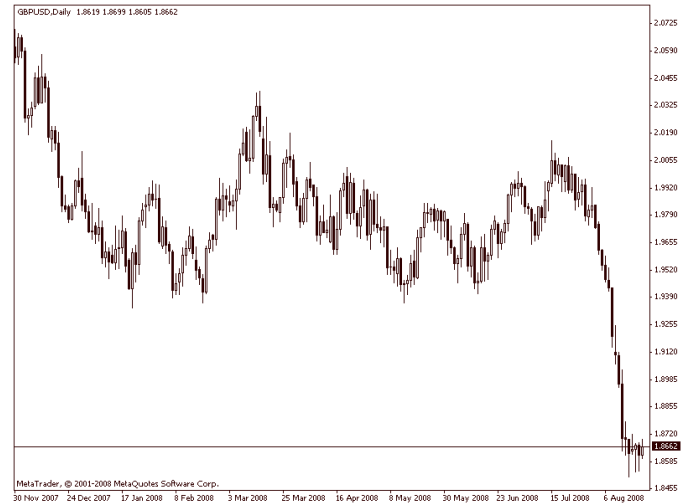
<b>Support</b>	109.00	107.20	105.70
<b>Resistance</b>	111.80	113.50	114.65

### **GBP/USD**

The sterling approached a two-year-bottom versus the dollar as minutes of the Bank of England's August meeting indicated expectations for the British economy worsened. BoE policy makers split three ways when they kept the target lending rate unchanged earlier this month, minutes of the Aug. 7 meeting showed yesterday. Seven members of the Monetary Policy Committee held the benchmark at 5%, while one official

voted for a rate increase and another called for a cut to help sustain growth.

The cable erased its gains from the first two days of week. Today first support of the sterling 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% Fibi of the 2.0153-1.8512 movement.



<b>Support</b>	1.8512	1.8175	1.8000
<b>Resistance</b>	1.8735	1.8900	1.9140

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