

DAILY FX ANALYSIS – July 22, 2008, 11:00 a.m./GMT+3/

The dollar started of the new week with a decrease

The dollar fell on Monday as fears of woes in the U.S. financial sector persisted even as Bank of America reported better than expected results. Bank of America's earnings for the second quarter plunged by 41% to \$0.72 per share, it exceeded consensus estimates for \$0.53 per share. Nevertheless the dollar declined the most against the euro in a week after American Express Co. said profit decreased 37 percent as more consumers defaulted on loans, raising concern a slowdown in U.S. growth may deepen. The U.S. currency fell against the yen as a gauge designed to predict the U.S. economy's performance over the next three to six months fell and the price of crude oil rose from a six week low. The pound dropped versus the euro as a report showed U.K. house prices dropped in July from a year earlier for the first time since data began in 2002.

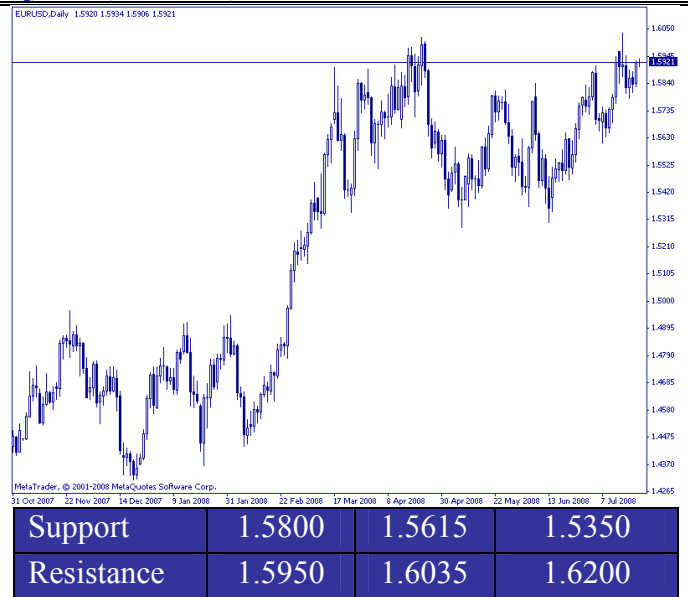
The U.S. currency fell 0.5% to \$1.5924 per euro from \$1.5847 on July 18. The dollar dropped 0.5% to 106.44 yen, from 106.96. The yen was little changed at 169.48 per euro, compared with 169.49. It touched 169.91, the weakest level since the European currency's 1999 debut. The pound dropped for a second day versus the euro, decreasing 0.3% to 79.52 pence, and was little changed at \$1.9998 on the drop in British house prices.

Today the most important economic data from Europe will be Switzerland's trade balance and overseas we will look for Canada's retail sales.

TECHNICAL OVERVIEW

EUR/USD

The dollar continued to trade in range against the euro, as falling above 1.59. If the euro extends its positive sentiment it will meet resistance at 1.5950 before reaching the record high at 1.6035. On downside direction, the euro will expect support from 1.5800, followed by 1.5615 and 1.5350.



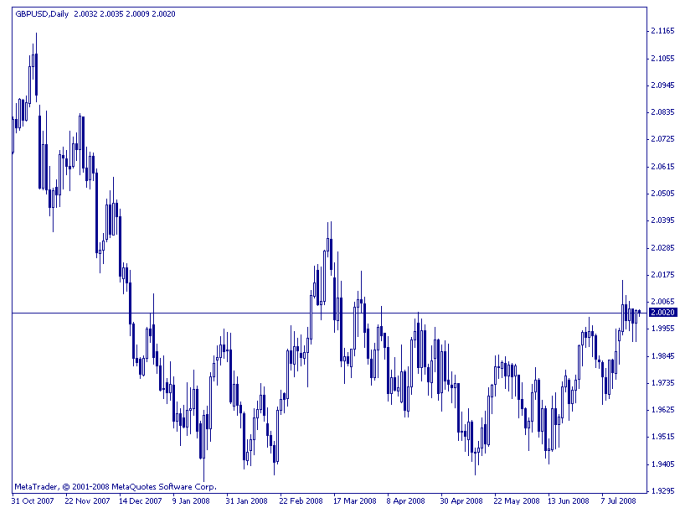
USD/JPY

The dollar fell against the yen putting an end to its three day rally. Today first support of the U.S. currency is expected at 106.75, followed by 104.00 and 102.90. On the opposite direction resistance is expected at 107.42, which is 61.8% Fibon retracement of the 114.63-95.75 movement. Break upon this level will move the target to the 7 month high at 108.60.



GBP/USD

The sterling erased its Friday loss, as gaining above the 2 dollar level. first resistance is expected at 2.0050, followed by 2.0150 and 2.0394. On the downside supports are expected at 1.9880 and 1.9757 which are respectively 50.0% and 382% Fibo retracement of the 2.0394-1.9364 movement.



Support	1.9880	1.9757	1.9670
Resistance	2.0050	2.0150	2.0394

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