










Pulse of the Market

- The markets are now expecting the Fed to remain stationary in September
- The massive waves of risk aversion saw the Euro to rise by more than one big figure
- Jitters over China and the global economy saw traders move into the Yen
- U.K consumer price index for July on August 18, showing an increase 0.1%

Recent Interest Rates & US Treasury Yields

USD		0.00~0.25%
EUR		0.05%
GBP		0.50%
JPY		0.10%
CAD		0.50%
AUD		2.25%
NZD		3.50%
	Change	Yield
2-yr Yield	-0.04	0.61%
5-yr Yield	-0.04	1.43%
10-yr Yield	-0.03	2.04%

Currency traders dumped the U.S Dollar today on the back of a global equities rout, as fears about China and the global economy hammered sentiment and sent investors fleeing into safer investments. The US dollar was also hit as expectations disappeared for an imminent US interest rate hike. The greenback dropped to 121.19 Yen from 122.06 in New York on Friday and sharply down from above 124 Yen on Thursday. The Euro rose to US\$1.1451 from US\$1.1386, while it weakened to 138.77 Yen from 138.97 Yen in US trade. Jitters over China and the global economy saw traders move into the yen - a safe haven in times of turmoil and uncertainty - as stocks markets around the world plunge. Investor fears have spiked on concerns the world's second-biggest economy is slowing more than previously thought after China's central bank devalued the Yuan in a shock move seen as a bid to boost sagging exports. On Friday, China reported weak manufacturing data, fuelling concerns among investors over the clouding outlook for the world economy. The Yen and Euro are benefiting from both emerging-market risk aversion caused by China's surprise move this month on the Yuan and from falling expectations that the Fed will hike interest rates. Minutes from the Federal Reserve's July meeting last week revealed policymakers want to see further improvement in the labor market and inflation before raising interest rates for the first time in nearly nine years. Investors' eye revised US economic growth data which will be released this week as a fresh sign for the timing for an interest rate hike. The British Pound rallied on strong inflation numbers. The Office for National Statistics released the annualized consumer price index for July on August 18, showing an increase 0.1%. The CPI beat the forecasts, which suggested no change in existing levels. The core CPI was seen rising to a five-month high of 1.2%. The increase in inflation was primarily driven by the clothing and footwear sector. The clothing and footwear sector inflation, which had seen an unusually steep fall of 0.2% in July 2014, saw a rise of 1.7% this July as the fall in prices this July was comparatively lower. The markets had a high positive bias to the inflation numbers beating forecasts. The strong inflation numbers drove the pound to dollar pair to 1.5720.

Time(GMT)		Economic Release	IMP	Actual	Forecast	Prior
01:30		New Zealand RBNZ Deputy Governor Grant Spencer Speaks	Medium			
05:00		Japan Coincident Index (JUN)	Medium	112.3		112.0
05:00		Japan Leading Index CI (JUN)	Medium	106.5		107.2
07:00		Switzerland Domestic Sight Deposits (AUG 21)	Low	394.7B		396.0B
07:00		Switzerland Total Sight Deposits (AUG 21)	Low	463.4B		463.0B
12:30		U.S Chicago Fed Nat Activity Index (JUL)	Low		0.2	0.08
13:45		ECB Publishes Weekly QE Purchases	Low			
19:55		U.S Fed's Lockhart Speaks to Public Pension Funding Forum	Low			
23:30		ANZ Roy Morgan Weekly Consumer Confidence Index (AUG 23)	Low			113.2

Euro

The single currency was the only currency to outperform helped by the weakness in the US dollar and strong PMI data from the Eurozone and news of snap elections in Greece. The euro-area economy picked up momentum this month, with an improvement in Germany lifting a business index to close to its highest level in four years. Overall, the EUR/USD traded with a low of 1.1228 and a high of 1.1375 before closing the day around 1.1365 in the New York session.



Yen

The Japanese Yen tumbled 1.16 to trade at 120.90 as traders moved to risk off trading with the yen the benefactor as the US dollar continued to fall as China is stressing the Federal Reserve decision in a few weeks. Markets are globally spooked after Friday's decline in equities. The U.S. dollar traded in the upper 121 yen range early today. Overall, the USD/JPY traded with a low of 121.79 and a high of 123.47 before closing the day around 122.07 in the U.S session.



British Pound

The British Pound dipped against a very weak US dollar as both currencies were plagued with doubts about central bank action in the near term. Investors expect the U.S Federal Reserve to raise rates before the BoE, but minutes from the Fed's latest meeting showed policymakers worrying that lagging inflation and a weak global economy posed risks too big to commit to "lift-off." Overall, the GBP/USD traded with a low of 1.5656 and a high of 1.5721 before closing the day at 1.5692 in the New York session.



Canadian Dollar

The Canadian Dollar fell as oil prices continued to plummet weighing heavily on the Canadian economy. There are several important data points due later today but there is nothing supportive of the economic situation after a drop in Chinese manufacturing and the fall of oil. Oil closed below the \$41 level dragging the Canadian dollar. Overall, USD/CAD traded with a low of 1.3057 and a high of 1.3191 before closing the day at 1.3166 in the New York session.



Australian Dollar

The Australian Dollar tumbled as the US dollar weakened with China the main drag on the markets. The Australian dollar fell one percent against the U.S. dollar on Monday as investors shunned risk assets over worries that resource exporters such as Australia will be severely affected by a slowdown in the Chinese economy. Overall, AUD/USD traded with a low of 0.7284 and a high of 0.7358 before closing the day at 0.7329 in the New York session.



Euro-Yen

EUR/JPY is trading above 14, 50 and 100 days moving average. Fast stochastic is giving a bullish tone and MACD is also issuing a bullish stance. The Relative Strength Index is above 62 and lies above the neutral zone. In general, the pair has gained 0.04%.



Sterling-Yen

Currently GBP/JPY is trading below 14, 50 and above 100 days moving average. Fast stochastic is issuing a bearish tone and MACD is also indicating a bearish stance. The Relative Strength Index is above 34 reading and lies below the neutral zone. On the whole, the pair has lost 1.03%.



Aussie-Yen

Currently, the cross is trading below 14, 50 and 100 days moving average. Fast stochastic is giving a bearish tone and MACD is also indicating a bearish stance. The Relative Strength Index is above 25 reading and lies below the neutral region. In general, the pair has lost 1.13%.



Euro-Sterling

This cross is currently trading above 14, 50 and 100 days moving average. Fast stochastic is indicating a bullish tone and MACD is also issuing a bullish signal. The Relative Strength Index is above 69 reading and lies above the neutral region. On the whole, the pair has gained 1.08%.



Sterling-Swiss

This cross is trading below 14, 50 and above 100 days moving average. Fast stochastic is issuing a bearish stance and MACD is also indicating a bearish tone. The Relative Strength Index is above 36 and lies below the neutral region. In general, the pair has lost 1.04%.



Appendix

FOREX Closing Prices for August 21, 2015					
Currency	Open	High	Low	Close	Net Chg
EUR/USD	1.12394	1.13753	1.1228	1.13652	0.0125
USD/JPY	123.372	123.478	121.797	122.077	-1.3080
GBP/USD	1.56885	1.57215	1.56562	1.56922	0.0005
USD/CHF	0.95875	0.9593	0.94609	0.94804	-0.0103
USD/CAD	1.30828	1.31916	1.30575	1.31663	0.0081
EUR/JPY	138.68	138.9	138.147	138.762	0.0590
GBP/JPY	193.595	193.745	191.303	191.587	-1.9960
CHF/JPY	128.659	128.823	128.169	128.735	0.0070
AUD/JPY	90.511	90.58	89.308	89.478	-1.0240
EUR/GBP	0.71623	0.72456	0.71493	0.72405	0.0077
EUR/CHF	1.07806	1.08015	1.07526	1.07757	0.0003
GBP/CHF	1.50433	1.50647	1.48606	1.48789	-0.0157

Daily Pivot Points							
Trading Range							
Contract	S3	S2	S1	Pivot	R1	R2	R3
EUR/USD	1.1123	1.1176	1.1270	1.1323	1.1418	1.1470	1.1565
USD/JPY	119.74	120.77	121.42	122.45	123.10	124.13	124.79
GBP/USD	1.5593	1.5625	1.5658	1.5690	1.5724	1.5755	1.5789
USD/CHF	0.9298	0.9379	0.9430	0.9511	0.9562	0.9644	0.9694
USD/CAD	1.2951	1.3004	1.3085	1.3138	1.3219	1.3273	1.3354
EUR/JPY	137.55	137.85	138.31	138.60	139.06	139.36	139.81
GBP/JPY	188.24	189.77	190.68	192.21	193.12	194.65	195.56
CHF/JPY	127.67	127.92	128.33	128.58	128.98	129.23	129.64
AUD/JPY	87.73	88.52	89.00	89.79	90.27	91.06	91.54
EUR/GBP	0.7082	0.7116	0.7178	0.7212	0.7274	0.7308	0.7371
EUR/CHF	1.0703	1.0728	1.0752	1.0777	1.0801	1.0826	1.0850
GBP/CHF	1.4601	1.4731	1.4805	1.4935	1.5009	1.5139	1.5213

Sources: News, Charts & Quotes (Courtesy: Reuters, US Department Of Treasury)

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