

Summary

- **G10: GBP, EUR and NZD conviction remain high.**
- **CEEMEA: Higher USDILS, lower EURHUF.**
- **ASIA: Paid CNH spreads**

G10

EURUSD

Conviction – Lower 3/5

We continue to like EURUSD lower in the context of a more bullish USD environment in the weeks to come. As Macneil points out we are now set up for a technical move sub 1.3200 as long as 1.3700/35 isn't breached. In the micro-term it is hard to see where the catalyst for a move in either direction may come from but I continue to hold a short conviction and once again advocate adding to that conviction closer to 1.3680

Resistance: 1.3680, 1.3735

Support: 1.3540, 1.3500

USDJPY

Conviction – Higher 2/5

The USD is really struggling at the moment, yields and positioning aren't helping, but it would appear local demand is still propping up USDJPY. I'm not sure a lot will come from the minutes this eve, especially with eyes on Yellen's semi annual testimony on the 15th (announced last night). My esteemed colleagues in Japan point to the top of the weekly cloud coming in just below 60, and a close sub this lead line will certainly weigh on the pair. I get the feeling though, if we are hanging around here on Friday we will struggle to close below.

Resistance: 101.80, 102.25

Support: 101.40, 101.10

GBP

Conviction – Higher 4/5

Conviction remains unchanged and cemented following price action post production numbers yesterday. Cable saw a 50 pip knee jerk lower only to finish the day unchanged. I am hearing continued talk of market attempting to pick the top in the pound and do not think positioning is as long as reports indicate. I feel it is wrong to fight strength for now, and dips should be faded.

Resistance: 1.7160, 1.7200

0.7960, 0.7980

Support: 1.7070, 1.7040

0.7885, 0.7850

AUD / NZD

Conviction – NZDUSD lower 3/5, AUDUSD lower 2/5

AUD and NZD remain firm in an environment where yield remains king. I continue to believe that the risk remains lower for both currencies if we get any upward pressure on US yields in the weeks to come. 0.8840/60 remains the key topside level in NZD, while 0.9430 should act as a short term pivot in AUDUSD. Steven's comments have had little medium term impact on AUD as we suggested last week but if they are joined by a more positive USD story AUD is likely to trade back below 0.9000 in the months to come. I continue to have a short AUD conviction and like owning 6 month downside with 2 month window knock outs.

Resistance: 0.9420/30, 0.9480

Support: 0.9330, 0.9280

Resistance: 0.8850

Support: 0.8750, 0.8710

USDCAD

Conviction – Higher 2/5

We stick to our higher conviction with the first support at 1.0650 and target at 1.0800 (200 dma). Main catalysts for the pair will be minutes this evening, Canadian unemployment on Friday and BoC next week. Housing starts today

Resistance: 1.0720, 1.0750

Support: 1.0640/50, 1.0600

SKANDIES**Conviction – Flat**

All quiet ahead of CPI data from the region tomorrow. No conviction ahead of releases.

Resistance: 8.4500, 8.5500 9.3400, 9.4000

Support: 8.3800, 8.3500 9.2800, 9.2500