

G10 FX - The Traders' Views

Please find below views on G10 FX directly from our traders.

G-10 FX	Macroeconomic/Fundamental Analysis	Views (Bearish/Bullish) 2-week Time Frame	Intermediate & Long-term Views (3mth & 12mth Time Frame)
EUR	The single currency sought summer conditions as an opportunity to continue its advance eyeing 1.2000 as a target. The market is currently buying the European recovery story and the sentiment has shifted to “buy the dips” in absence of the ECB speakers. Furthermore, the latest European data has been consistent with the forecasts providing EURUSD with enough support to hold above 1.1900, namely the CPI, PMIs and unemployment. Next week’s data includes the industrial productions, trade balance and CPIs.	Neutral	1.1700 3m; 1.1800 12m
GBP	BOE yesterday kept the rates unchanged as widely expected at 0.25% with a vote of 6-2 and most importantly the central bank cut the economic growth forecasts and saw weaker wage inflation. It would appear that the BOE have adopted a cautious approach as the Brexit-related challenges unveil, Carney commented that Brexit is casting the biggest shadow over the UK’s economic outlook, which translated into a spike in EURGBP above 0.9000 for the first time in a year. Next week’s focus will turn towards house prices data release and industrial productions, soft data might result in Cable breaking below 1.3000.	Neutral 1.2900 – 1.3300 range to hold in the near term	1.2600 3m; 1.3000 12m
JPY	USDJPY followed dollar rates lower this week, weighed by better than expected Japanese industrial productions and PMIs. Furthermore, news about Mueller preparing a grand jury in relations to the Russian investigations has been met well by the white house, but not the greenback which was sold across the board. The pair threatened to...	Neutral – 110.00-113.00 range to hold	112.00 3m; 118.00 12m

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JPY	...break 110.00 multiple times but was saved by the strong NFP on Friday, and would expect USDJPY to remain range bound in the near term torn between Japanese political uncertainty and US interest rate differentials.	Neutral – 110.00-113.00 range to hold	112.00 3m; 118.00 12m
CHF	For the first time in two years, EURCHF managed to firmly trade above 1.1400 and made new highs on consecutive days. With the SNB constant rhetoric about the overvalued CHF, it seems like the interest rate differentials between the EU and Switzerland have triggered the liquidation of the long CHF positions. The lack of technical resistances leaves the door open for further upside momentum.	Neutral – speculators are gaining in confidence having breached 1.1500 with little difficulty.	USD CHF 0.9900 3m; 1.0000 12m
AUD	The fear of the hike; economist believe the reserve bank of Australia (RBA) should not be hasty to hike as the economy might not be ready as of yet. There will be no hikes until 2018 as the RBA just downgraded its growth by a half a percent to cool property prices. Aussie traded as high as 0.8000 following commodities, but firm US employment data might provide a sense of relief to the RBA, who were not shy to jawbone the currency lower.	Bearish – ingrained negativity remains, only above 0.8300 concerns.	0.7500 3m; 0.8500 12m
NZD	Like its antipodean neighbor, it flirted with big psychological levels, but could not firmly contain the uptrend. Kiwi fell from 0.7500 following a soft release on the building permits and soft NZ employment data. With the RBNZ meeting next week, the market expects no change to the cash rate with a dovish statement reflective of the latest weakness in data. A quick update on our trade recommendation, NZDJPY have nicely traded below 82.00 and will look to take profit around 80.00 after the RBNZ.	Bearish – expressed through NZDJPY	0.6900 3m; 0.7100 12m
CAD	Following the BoC rate hike, USDCAD traded as low as 1.2414, but then the Oil correlation has kicked in pushing USDCAD to trade off the lows, marking a big reversal signal. The final confirmation of the move higher was on the back of the softer Canadian employment data in comparison to a 209K+ US NFP, which pushed USDCAD to close above 1.2600 for the week. Lack of material Canadian data will set the stage for further USDCAD gains.	Bullish USDCAD	1.3100 3m; 1.2800 12m

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