

EUR/USD SPOT: 1.0532

EUR/AED SPOT: 3.8684

TREND →



The latest US Non-Farm payrolls data has shown consistent growth in US jobs and also increase in wages indicating the economy is in cruise mode. If the incoming new US president delivers on the promise of Fiscal expansion and spending it is likely to create inflationary pressure in the economy and spur the US FED to raise rates aggressively. It is more than likely that the FED may revise the number of times it may raise rates this year to more than 3 if oil prices sustain the rise and put additional pressure on inflation. EUR/USD touched a low of 1.1364 and has thereafter managed to bounce back above 1.0500 touching a high of 1.0651 in thin liquidity conditions. It is establishing a new range and any short squeeze on EUR shorts may take it up to 1.0800. It is expected to touch parity with USD this year. Expected range this month is 1.0300 to 1.0700.

Resistance	1.0583	1.0630	1.0680
Support	1.0530	1.0480	1.0420

**GBP/USD SPOT: 1.2287**

**GBP/AED SPOT: 4.5130**

**TREND →**



There is uncertainty if the UK will sacrifice control of immigration to have access to the EU single market. If the red line of control on immigration is not crossed there is likely to be hard Brexit and GBP/USD is likely to touch new lows. Hard Brexit is likely to bring second referendum for Scottish independence back in to play and going by the Brexit voting pattern the pro-EU Scots will most likely vote for independence from UK. This indecisiveness by the UK govt. as well as the court decision this month regarding the role of parliament in deciding Brexit will likely keep the market on tenterhooks. GBP/USD pair is expected to be volatile near term. Expected range this month is 1.2100 to 1.2700.

Resistance	1.2310	1.2424	1.2530
Support	1.2260	1.2195	1.2110

USD/JPY SPOT: 117.02

JPY/AED SPOT: 0.031387

TREND →



USD/JPY corrected to 115.00 this year and has since bounced back to 117.00. The continuing rally in USD has kept the JPY on the defensive. The contrasting interest rate outlook for JPY and USD is likely to keep the JPY weak. Caution is warranted here as Japan is running a trade surplus against the US and on inflation adjusted basis the JPY is at 40 year low against the USD. President elect Donald Trump has accused China of being a currency manipulator and may accuse the same to Japan as being currency manipulator trying to keep the JPY undervalued. JPY may not weaken further from here especially if Oil prices sustain the rally. Expected range is 113.00 to 118.00.

Resistance	117.20	118.30	119.60
Support	116.30	115.30	114.80

USD/CHF SPOT: 1.0180

CHF/AED SPOT: 3.6080

TREND →



The USD/CHF pair has managed to break above 1.000 and is likely to stay above it near term. The SNB still maintains that CHF is overvalued especially against the EUR. No change is expected in the SNB policy of negative interest rates and intervention in the foreign exchange market in the near term. The EUR/CHF pair is range bound between 1.0680 and 1.0880; it is likely to continue to do so. The USD/CHF pair is expected to remain above 1.000. CHF is expected to continue its weakening trend until the SNB changes its policy which is unlikely near term. Expected range is 1.0030 to 1.0530.

Resistance	1.0230	1.0303	1.0380
Support	1.0178	1.0130	1.0070

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