

G10 Trader Views

EUR – Jamie Lawes

The week has kicked off with weaker German IP which has naturally put EUR on the back foot. We remain short, but with the lack of follow through to either direction, it's tough to get too excited. The levels are now well defined with good offers in the market 1.3620/40 (the break down lvl after last week's nfp) and to the downside 1.3500 remains key. I suspect in this low vol environment we will see a lot of trimming of shorts sub 1.3525 and then re-selling on the break of 1.3475/1.3500.

JPY – Simon Hamilton

The weekend has brought further impetus for recently established longs in USDJPY with a firm open this morning after last week's stronger jobs report adding to the positive USD tone which has seen buyers step up their interest.

Talk of further stimulus from the BoJ going into next week's meeting had aided the move although this is unlikely given Governor Kuroda has only recently reiterated that he expects the market to recover moderately of its own accord or 'as a trend'. He added the current programme of QQE has had its intended effect and stated this would continue as long as needed to achieve the 2% "price stability target".

The markets focus will turn to the fed minutes on Wednesday and trade after the long weekend may be slow initially. USDJPY feels solid and dips back towards 101.80/102 would be good opportunities to rebuy. 102.25 would provide first resistance and may amplify a further bid tone should we trade through with added momentum likely to be noted from the short term market looking to add to longs.

EURJPY price action is softer again although demand has been noted into this latest dip. Should EURUSD price action start to wain the cross may weaken although I feel this pair has lost its focus after failing to sustain the recent move lower. Its feel like less of a sell rally strategy than previously given the recovery in USDJPY although should EURUSD retest towards the 1.35 level will the position start to look attractive again. I will look to resell back towards 139.00/139.30 or on a break of the recent support level. USDJPY I look to but dips having squared longs into this latest rally.

GBP – Jeff Ransom

Good morning from sunny London! The sun hasn't set on the English currency for some time now as the data continue to improve and Carney's MPC threatens hikes. Last week, Cable finally made a weekly close above the key 1.7043 resistance level from 2009 and EURGBP continues to make new lows in this trend. Both show no signs of stopping and have no real technical levels in their way.

This week, the market gets the BoE on Thursday, which should be a non-event. However, there is plenty for MPC watchers to pay attention to on Wednesday as Nehmat Shafik will be questioned by the Treasury Select Committee as she comes in to replace Paul Fisher. Also, this will be Kristin Forbes first meeting as she replaces Sir Charlie Bean. The market will be eager to see what kinds of views these new members hold.

Over the medium term, I like selling EURGBP on any rally towards .8000 with a stop above .8065 and buying Cable on dips towards 1.71 with a stop below 1.7040. After the Mansion House speech, the dips in Cable have been very shallow and I expect that to continue. That is until Yellen has her "Carney Moment", which I think could be as soon as August. More on that tomorrow...

Scandies – Alex Bakri

EURSEK has retraced from its high with the marker digesting the surprise 50bps cut by the Riskbank last week. I still like EURSEK higher but a break of 9.3550/9.36 is needed to retest 9.39/40. On the day expect 9.2750/9.2800 to come as strong support but a failure to hold could open 9.25 in the coming sessions. Thus I prefer being short SEK via NOKSEK with the cross now testing key resistance at 1.1070/80 with a break potentially opening 1.11 and 1.12

EURNOK looks indeed topish around 8.45/8.46 and I will look to sell a rally there with a tight stop. Look at 8.3800/8.40 for support with not much left until 8.30. This morning's industrial production should give further direction to the pair but all

eyes will be on this week's inflation prints from both Norway and Sweden.

CAD – Alex Bakri

Quiet start of the week for USDCAD which remains stuck on a 1.06 handle. I still like USDCAD lower and will look to sell any bounce with 1.0680/85 sell zone and a stop above 1.0710. Support looks firm down to 1.0620 but a break should target 1.0600 and 1.0580 in the short term. This week's employment data will be watched carefully and should be the next catalyst for the loonie.

On the crosses I also like CADJPY higher with stocks still trading at record highs and oil in demand. EURCAD should also be a sell on rallies with 1.45 and 1.4550 the key sell zones if seen. Building permits and Ivey purchasing managers will be the main local data today.

AUD/NZD – Nick Smith

AUD remains resilient in the face of the very strong jobs report last Thursday and the general USD bid tone this morning. Crucial will be the employment report (out Thursday morning) with the market is expecting a slight uptick in unemployment to 5.9% which if realised would end the positive grind lower over recent months from 6.1% back in March. Nevertheless, whilst this print should provide a useful update on the strength of Australia's ongoing sectoral shift - what could prove more pivotal for risk is the outcome of the Fed minutes on Wednesday evening.

We see potential for the minutes to strike a slightly less dovish stance than Yellen achieved in her FOMC press conference and will look for any signs of dissent amongst the ranks when it comes to the timing of future rate hikes.

Kiwi trades on the back foot following a repost suggesting that house price inflation last month was the lowest in the year which will likely play a factor on the RBNZ's radar for future policy meetings and could encourage a need to pause rate hikes and re-evaluate as we get into Q4 of t