

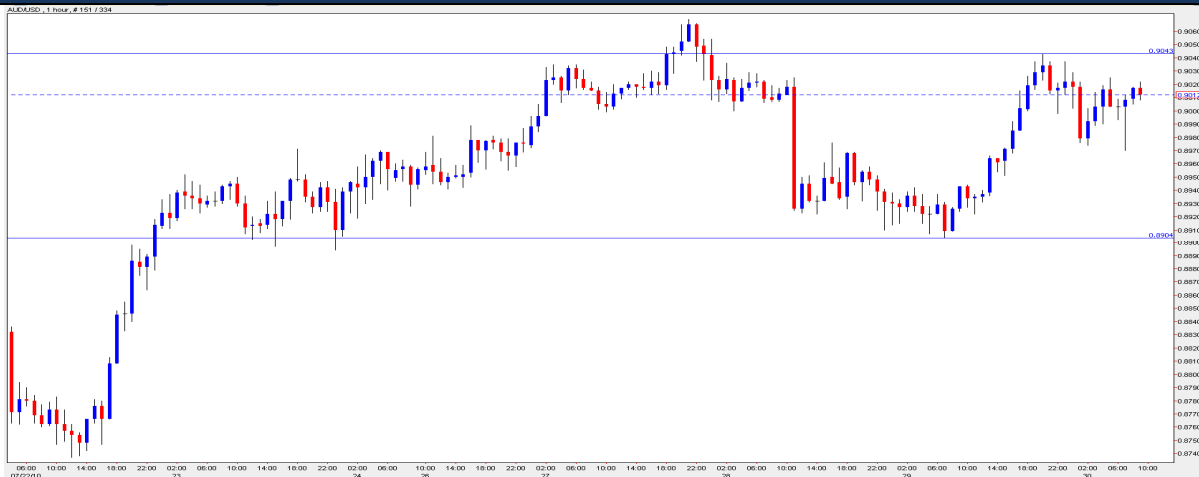
Market Insights

30 July 2010

» Headlines

- » All eyes on US Advance GDP out tonight at 1030AEST.
- » US sharemarkets eased on Thursday. A number of US companies noted that deflationary pressures were crimping margins and profitability. The Dow Jones fell by almost 30 points or 0.3% with the S&P 500 lower by 0.4%, and the Nasdaq lost almost 13 points or 0.6%.
- » European shares fell for the second day with weakness in early US trade weighing on prices.
- » US crude oil prices rose for the first time in three days as the US dollar eased, improving the purchasing power of buyers in Europe and Asia.

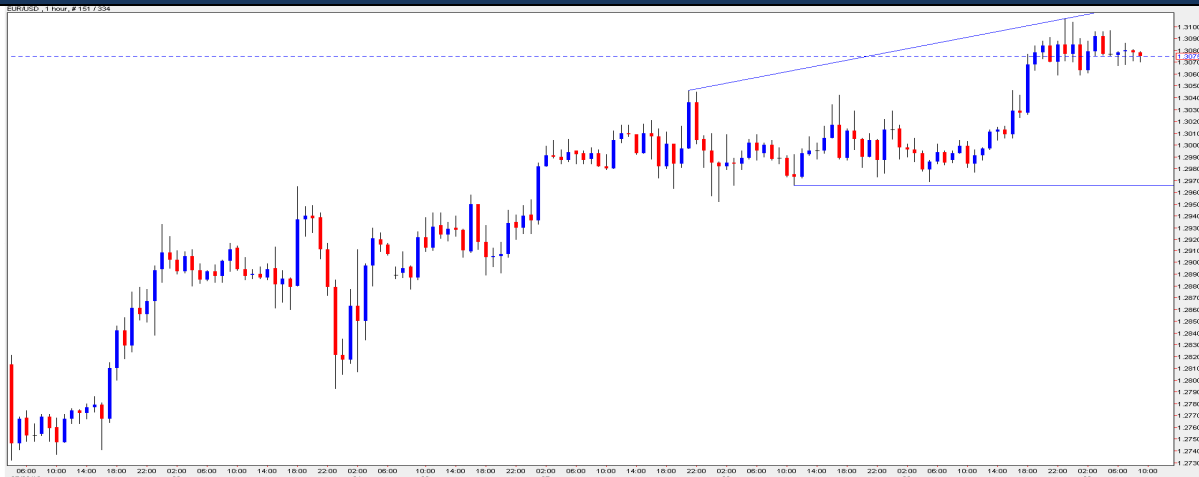
» AUD/USD



Resistance	
0.9040/50	
Support	
0.8970 & 0.8905/15	
Pivot Points	
Open	0.9009
R3	0.9185
R2	0.9114
R1	0.9064
PP	0.8993
S1	0.8943
S2	0.8872
S3	0.8822

AUD/USD has reclaimed levels above 0.9000 overnight as traders are looking for the pair to consolidate its recent range ahead of weekend, which will include crucial China PMI data out Sunday. Hedging-related flows helped the Aussie higher overnight, allowing it to overcome a weaker lead from U.S. equities. USD weakness in the face of negative comments by some Fed presidents took the wind out of the USD's sails. Weak Japanese Industrial Production numbers this morning helping the Aussie to trade back below 0.9000 this morning.

» EUR/USD



Resistance	
1.3105/15	
Support	
1.2960/70	
Pivot Points	
Open	1.3080
R3	1.3259
R2	1.3183
R1	1.3129
PP	1.3053
S1	1.2999
S2	1.2923
S3	1.2869

EUR/USD rose above 1.3100 hitting its highest point in 11 weeks as improving euro-zone economic data helped the common currency extend a strong rally that's seen it rise more than 10% since early June. Weekly US jobless claims came in as expected, but the previous week's figure was downwardly revised, stoking worries over the pace of the US recovery.

» XAU/USD



Resistance	
1,169.30/80	
Support	
1,157.15/65	
Pivot Points	
Open	1167.25
R3	1181.09
R2	1175.22
R1	1171.08
PP	1165.21
S1	1161.07
S2	1155.20
S3	1151.06

Gold rose on Thursday as physical buyers in Asia stepped in at lower levels and as traders concerned about longer-term economic uncertainty went bargain hunting. Poor technical's weighed on trader sentiment. Traders favouring the range until further direction is provided.

» GBP/USD



Resistance	
1.5660/70	
Support	
1.5575/85	
Pivot Points	
Open	1.5611
R3	1.5735
R2	1.5699
R1	1.5652
PP	1.5616
S1	1.5569
S2	1.5533
S3	1.5486

GBP/USD is looking to consolidate ahead of U.S. 2Q GDP data after setting 5-month high of 1.5662 overnight. The pair is weighed by a slump in UK GfK measure of consumer confidence this morning, lowest since August 2009 and positions adjustments before the weekend. Negative USD sentiment is assisting the upside, with traders happy to sit back and range trade awaiting the US GDP tonight.

» USD/JPY



Support	
86.80/90	
Resistance	
86.45/55	
Pivot Points	
Open	86.90
R3	88.14
R2	87.80
R1	87.26
PP	86.92
S1	86.38
S2	86.04
S3	85.50

USD/JPY has been sold off pushed by negative USD sentiment as markets await U.S. 2Q advance GDP. The pair is weighed by unwinding of JPY-funded carry trades amid diminished risk appetite as Wall Street ended modestly lower overnight. USD/JPY supported by USD demand for import settlements (may see more yen sales at Tokyo fixing as today being regular settlement day), fear of Japan official jawboning against further JPY strength. Traders are favouring sell the rally.

» Economic Calendar

	F/cast	Last
» AUD: Private Sector Credit m/m	0.4%	0.5%
» EUR: German Retail Sales m/m	0.0%	0.4%
» EUR: CPI Flash Estimate y/y	1.8%	1.4%
» EUR: Unemployment Rate	10.0%	10.0%

	F/Cast	Last
» CHF: KOF Economic Barometer	2.32	2.25
» CAD: GDP m/m	0.1%	0.0%
» USD: Advance GDP q/q	2.5%	2.7%
» USD: Revised UoM Consumer Sent.	67.5	66.5

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