












## Pulse of the Market

- The U.S Dollar edged lower in yesterday's session following an improving appetite for risk
- President Trump returned to the White House on Monday after a three-night hospital stay
- Euro rose yesterday, supported by a fourth straight rise in German factory orders
- The British Pound has recovered from falls suffered earlier in yesterday's trading session

### Recent Interest Rates & US Treasury Yields

	Change	Yield
USD		0.25%
EUR		0.00%
GBP		0.25%
JPY		-0.10%
CAD		0.75%
AUD		0.25%
NZD		0.25%
2-yr Yield	-0.02	0.12%
5-yr Yield	-0.05	0.25%
10-yr Yield	-0.08	0.65%

The U.S Dollar was little changed yesterday, as investors waited for developments on whether lawmakers in Washington could reach a compromise on new stimulus to support the economic recovery from the coronavirus pandemic ahead of next month's election. U.S House of Representatives Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin were expected to speak by phone again yesterday on economic relief after speaking for about an hour on Monday, continuing their recent flurry of activity working towards a deal on legislation. But the dollar remained range bound against a basket of six major currencies, last sitting at 93.407, as expectations for a deal were muted. The greenback has fallen around 1% from a two-month high reached at the end of September, in contrast with U.S equity markets, which rose. Pretty much everybody has given up on the idea that there would be a fiscal spend before the election, so then it's really a matter of how the dollar is going to react post-election. Efforts by Congress to reach an agreement on relief funds have been further complicated by the spread of the coronavirus among key policymakers including U.S President Donald Trump. Trump on Monday returned to the White House after a three-day stay in a military hospital where he was receiving treatment for COVID-19, a development viewed as reducing political uncertainties, which helped lift global stocks to more than a two-week high. The lead taken by Democratic presidential nominee Joe Biden in polls is seen as weighing on the U.S currency. On the data front, the U.S trade deficit surged 5.9% in August to \$67.1 billion, the largest in 14 years as imports climbed again, suggesting that trade could be a drag on economic growth in the third quarter. All eyes will be on an address by Federal Reserve Chair Jerome Powell at a virtual meeting of the National Association for Business Economics, where global central bankers are likely to present their plans about how much more they can do to prevent an economic depression.

Time(GMT)		Economic Release	IMP	Actual	Forecast	Prior
06:45		France Balance of Trade (AUG)	Medium			€-6.99B
07:30		U.K Halifax House Price Index YoY (SEP)	Medium			5.2%
08:00		ECB Non-Monetary Policy Meeting	Medium			
11:00		U.S MBA Mortgage Applications (02/OCT)	Medium			-4.8%
12:10		ECB President Lagarde Speech	Medium			
14:00		Canada Ivey PMI s.a (SEP)	Medium			67.8
14:30		EIA Cushing Crude Oil Stocks Change (02/OCT)	Medium			1.785M
14:00		EIA Crude Oil Stocks Change (02/OCT)	Medium		0.4M	-1.98M
18:00		FOMC Minutes	High			
18:00		Fed Williams Speech	Medium			
19:00		U.S Consumer Credit Change (AUG)	Medium		\$14B	\$12.25B

## Euro

The single currency fell in yesterday's trading session as dovish comments from the European Central Bank chief raised expectations for further stimulus, offsetting a brighter tone in world markets that limited gains for safe-haven debt. ECB President Christine Lagarde said a second wave of the coronavirus pandemic risks delaying the euro zone's economic recovery. Overall, the EUR/USD traded with a low of 1.1730 and a high of 1.1806 before closing the day around 1.1732 in the New York session.



## Yen

The Japanese yen has been trading on its back foot in recent days, with down days proving inconsequential to the more sizeable advances on up days. Driven by improving risk appetite, the JPY-crosses have been drifting higher alongside global equity markets – and the latest twists and turns in the U.S President Trump coronavirus saga. The near-term news flow has proven burdensome for the Japanese Yen. Overall, the USD/JPY traded with a low of 105.45 and a high of 105.76 before closing the day around 105.61 in the U.S session.



## British Pound

The British Pound posted gains following the latest UK construction-sector data was stronger than expected as residential activity jumped on the month. The UK IHS Markit PMI index strengthened to 56.8 for September from 54.6 previously, significantly above consensus forecasts of 54.0. The strongest performing category was home building, where firms registered a sharp expansion in activity. Overall, the GBP/USD traded with a low of 1.2864 and a high of 1.3005 before closing the day at 1.2875 in the New York session.



## Canadian Dollar

The Canadian Dollar was little changed against its U.S counterpart yesterday as oil prices rose and data showed a slowdown in Canada's merchandise trade, with the loonie steadying after it notched an earlier two-week high. Canada's trade deficit narrowed slightly in August to C\$2.45 billion from a revised C\$2.53 billion in July, Statistics Canada said. Exports and imports fell after two months of strong growth. Overall, USD/CAD traded with a low of 1.3239 and a high of 1.3314 before closing the day at 1.3308 in the New York session.



## Appendix

FOREX Closing Prices for October 06, 2020					
Currency	Open	High	Low	Close	Net Chg
EUR/USD	1.17819	1.18064	1.17305	1.17327	-0.0048
USD/JPY	105.71	105.766	105.451	105.61	-0.1180
GBP/USD	1.29762	1.30054	1.28648	1.28756	-0.0102
USD/CHF	0.9152	0.91788	0.91311	0.91784	0.0026
USD/CAD	1.32576	1.33145	1.3239	1.33088	0.0043
EUR/JPY	124.567	124.714	123.837	123.927	-0.6440
GBP/JPY	137.202	137.419	135.923	135.941	-1.2900
CHF/JPY	115.503	115.676	114.971	115.05	-0.4520
AUD/JPY	75.887	76.132	74.971	74.989	-0.9010
EUR/GBP	0.9076	0.91245	0.90588	0.91108	0.0034
EUR/CHF	1.07838	1.07875	1.07637	1.07695	-0.0014
GBP/CHF	1.1878	1.18914	1.18025	1.18216	-0.0056

Daily Pivot Points							
Contract	Trading Range						
	S3	S2	S1	Pivot	R1	R2	R3
EURUSD	1.1631	1.1681	1.1707	<b>1.1757</b>	1.1783	1.1832	1.1858
USDJPY	105.14	105.29	105.45	<b>105.61</b>	105.77	105.92	106.08
GBPUSD	1.2685	1.2775	1.2825	<b>1.2915</b>	1.2966	1.3056	1.3106
USDCHF	0.9099	0.9115	0.9147	<b>0.9163</b>	0.9194	0.9210	0.9242
USDCAD	1.3185	1.3212	1.3260	<b>1.3287</b>	1.3336	1.3363	1.3411
EURJPY	122.73	123.28	123.60	<b>124.16</b>	124.48	125.04	125.36
GBPJPY	133.94	134.93	135.44	<b>136.43</b>	136.93	137.92	138.43
CHFJPY	114.08	114.53	114.79	<b>115.23</b>	115.49	115.94	116.20
AUDJPY	73.44	74.20	74.60	<b>75.36</b>	75.76	76.53	76.92
EURGBP	0.9006	0.9032	0.9072	<b>0.9098</b>	0.9137	0.9164	0.9203
EURCHF	1.0736	1.0750	1.0760	<b>1.0774</b>	1.0783	1.0797	1.0807
GBPCHF	1.1697	1.1750	1.1786	<b>1.1839</b>	1.1875	1.1927	1.1963

Sources: News, Charts & Quotes (Courtesy: Reuters, US Department Of Treasury)

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