

Equity markets rebounded late in the week as slightly better than expected revised GDP 1.6% from 2.4% when the market was expected a revision down to 1.4%. Additionally, Ben Bernanke comments that the Fed would ensure a recovery in the US markets gave the markets a reason to celebrate. For the week, the S&P 500 Index fell 0.66 percent.

EXCHANGE RATES

Instrument	Trend	Support II	Support I	Spot	Resistance I	Resistance II
EUR/USD	↔	1.2550	1.2650	1.2760	1.3320	1.3540
GBP/USD	↔	1.5318	1.5450	1.5528	1.611	1.6310
EUR/GBP	↔	0.8110	0.8150	0.8217	0.8547	0.8615
USD/CHF	↓	1.0140	1.0210	1.0279	1.0640	1.0990
USD/JPY	↓	84.10	84.70	85.21	87.20	93.10
USD/CAD	↔	1.0027	1.0210	1.0507	1.0680	1.0740
EUR/JPY	↓	107.70	107.85	108.66	1.1366	1.1545
Oil	↔	72.20	74.10	75.98	80.90	84.00
Gold	↔	1160	1180	1235	1242	1248
Silver	↔	17.36	17.60	19.02	19.31	19.38

THIS WEEK'S EVENTS

- ✓ US Personal Income is expected to increase slightly to 0.3%
- ✓ EMU Employment is expected to remain flat
- ✓ EMU CPI is expect to increase 12.5% year over year
- ✓ US ISM Manufacturing is expected to remain over 54
- ✓ UK Employment is the highlight of the week

THIS WEEK'S VIEW & TRADING IDEAS

EUR/USD

The Euro climbed during the week as better than expected German data, combined with investor appetite for riskier assets, pushed the EUR/USD above 1.2700. With peripheral bonds still shaky, it is unlikely that the Euro will make much headway.

USD/JPY

The yen softened this week after Finance Minister Yoshihiko Noda made further comments about the yen's strength, and slightly confused reports that PM Naoto Kan would address the currency situation in a briefing. Weak US fundamentals are likely to help the Yen or the dollar.

S&P 500

The S&P 500 Index rallied at the end of the week, as investors cheered Ben Bernanke's comments that the Fed would ensure an economic recovery. Equities will likely remain volatility going into next week's economic data deluge.

Gold

Gold prices continued to show strength during the majority of the week, as investors continued to use the yellow metal as a alternative asset to volatility equities and high priced bonds. Gold prices should continue to show strength and test technical resistance above the market.

FINANCIAL CALENDAR

Currency	Time (GMT)	Release	Month	Consensus	Prior
EUR	M 9:00	Euro Zone Consumer Confidence	Aug		101.9
CAD	M 12:30	Canada Current Account	Q2		-7.8B
USD	M 12:30	US PCE Core	July	0.1%	0%
USD	M 12:30	US Personal Income	July	0.3%	0%
JPY	M 23:50	Japan Industrial Production	July		-1.1%
AUD	T 1:30	Australian Current Account	Q2		16551
AUD	T 1:30	Australian Retail Sales	July		0.2%
JPY	T 5:00	Japan Housing Starts	July		0.750M
EUR	T 9:00	Euro Zone CPI	Aug	1.5%	1.7%
EUR	T 9:00	Euro Zone Employment	Aug	10%	10%
USD	T 13:45	Chicago PMI	Aug	60.1	62.3
USD	T 14:00	US Consumer Confidence	Aug		50.4
AUD	W 1:30	Australian GDP	Q2		2.7%
USD	W 12:15	US ADP Employment	Aug	30K	42K



Weekly Market Review

August 29, 2010

Currency	Time (GMT)	Release	Month	Consensus	Prior
USD	W 14:00	US ISM Manufacturing	August	54.5	55.5
CHF	T 5:45	Swiss GDP	Q2		0.4%
GBP	T 8:30	UK PMI	Aug		54.1
EUR	T 9:00	EMU GDP	Q2		1.7%
USD	T 14:00	US Pending Home Sales	Jul	-1%	-2.6%
EUR	F 9:00	Euro Zone Retail Sales	July		0
USD	F 12:30	US Non-farm Payrolls	Aug		-131k

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Trading in the Foreign Exchange market might carry potential rewards, but also potential risks. You must be aware of the risks and be willing to accept them in order to trade in the foreign exchange market. Don't trade with money you can't afford to lose.

TECHNICAL OPPORTUNITIES OF THE WEEK

EUR/USD



General Overview The Euro consolidated during the week as investors initially sold riskier assets and purchased dollars as a safe haven. The Euro was able to reclaim 1.27, but with a volatile EMU bond market, the Euro will likely remain volatile.

USD/JPY



General Overview The Yen softened during the week, after pushing down to 84, and then recovering late in the week above 85. Jawboning by the Finance Minister and Bernanke's comments about the US economic condition, helped longs gain a foot hold. The USD/JPY is unlikely to gain further, as markets should remain concerned about the economic landscape.

S&P500



General Overview The S&P 500 Index was able to bounce off of the 1040 support level and regain 1060. The markets had multiple consecutive lower closes until Friday when better than expected revised GDP and Ben Bernanke's comments lead the US equities higher. The markets are likely rangebound, until employment improves in the US.