

Equity markets moved higher during the week as the markets absorbed numerous economic data points that lead to a market rally. The combination of strong manufacturing data (ISM), robust housing numbers (pending home sales), and a better than expected payroll report from the Department of Labor pushed the US markets higher. For the week, the S&P 500 index settled higher by 40 to 1104.

## EXCHANGE RATES

Instrument	Trend	Support II	Support I	Spot	Resistance I	Resistance II
EUR/USD	↔	1.2550	1.2650	<b>1.2893</b>	1.3320	1.3540
GBP/USD	↔	1.5318	1.5430	<b>1.5450</b>	1.611	1.6310
EUR/GBP	↔	0.8110	0.8150	<b>0.8345</b>	0.8547	0.8615
USD/CHF	↓	1.0060	1.0140	<b>1.0160</b>	1.0640	1.0990
USD/JPY	↓	83.63	84.10	<b>84.37</b>	87.20	93.10
USD/CAD	↔	1.0260	1.0370	<b>1.0385</b>	1.0680	1.0740
EUR/JPY	↓	107.70	107.85	<b>108.76</b>	1.1066	1.1345
Oil	↔	72.20	74.10	<b>74.58</b>	80.90	84.00
Gold	↔	1160	1180	<b>1245</b>	1251	1262
Silver	↔	17.36	17.60	<b>19.82</b>	19.94	21.21

## THIS WEEK'S EVENTS

- ✓ The Fed Beige Book will give the market a view of the US economy
- ✓ The BOC is expected to leave interest rates unchanged
- ✓ Australia Employment is expected to increase by 20k
- ✓ The BOE is expected to keep interest rates unchanged
- ✓ Canadian employment is expected to increase slightly

## THIS WEEK'S VIEW & TRADING IDEAS

### EUR/USD

The Euro climbed during the week and broke out above trend line resistance late in the week. The Euro currency is performing well as the risk on trade is back in investors' minds. Look for the EUR/USD to continue to move higher toward 1.31.

### USD/JPY

The yen remained strong despite better than expected US data. The Yen continues to plague Japanese officials, but they are hesitant to intervene in the currency markets alone.

### S&P 500

The S&P 500 Index rallied as better than expected economic data points surprised market participants during the week. The strong ISM, Pending Home Sales and Employment report created a 40 point rally to bring the S&P 500 Index back above 1104.

### Gold

Gold prices pushed higher toward 1250 during the week but were pushed back on Friday as better than expected employment data lead investors out of Gold and into stocks. With volatility in the equity markets likely to remain, Gold prices should continue to benefit.

## FINANCIAL CALENDAR

Currency	Time (GMT)	Release	Month	Consensus	Prior
JPY	M 4:00	BOJ Monetary Policy Meeting			
EUR	M 8:30	EMU Sentix Investor Confidence	Sept		8.5
CHF	T 5:45	Swiss unemployment Rate	Aug	3.8%	3.8%
USD	T 18:00	Fed Beige Book			
JPY	T 23:50	Japan Current Account	July		1360B
GBP	W 8:30	UK Industrial Production	July	1.4%	1.3%
EUR	W 10:00	German Industrial Production	July		-0.6%
CAD	W 5:00	BOC Interest Rate Decision			
USD	W 19:00	US Consumer Credit	July		-1.3B
AUD	T 1:30	Australia Employment Change	Aug	20K	23.5K
EUR	T 6:00	German CPI	Aug	0.2%	0.3%
EUR	T 8:00	ECB Monthly Report	Aug		
GBP	T 11:00	BOE Interest Rate Decision			
USD	T 12:30	US Jobless Claims	Aug		472K



## Weekly Market Review

September 5, 2010

Currency	Time (GMT)	Release	Month	Consensus	Prior
JPY	T 23:50	Japan GDP	Q2	54.5	55.5
GBP	F 8:30	UK Producer Prices	Aug		-1%
CAD	F 11:00	Canadian Employment	Aug		-9.3K

For more market analysis and news visit [www.eToro.net](http://www.eToro.net)

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 broke out above trend line support as the risk on trade move back into vogue. Better than expected US employment data pushed the dollar lower as investors moved into the Euro. The currency pair is likely to move higher and test the 1.3100 level.

AUD/USD



**General Overview** Better than expect Australian GDP data (1.2% compared to the .9% expected) mid week, helped the Australian dollar break above trend line support. The currency pair is likely to continue to grind higher toward the 93 cent level.

S&P500



**General Overview** The S&P 500 Index continued a rally which began on September 1<sup>st</sup>, after better than expected ISM and Chinese PMI data. Friday's surprise employment data helped the equity markets continue to move higher toward the 1130 resistance level.