






Pulse of the Market

- EUR/USD catches fresh bids in early Asia after finding support near 1.1610.
- XAU/USD pushing against \$1,780/85 resistance area.
- US dollar runs into fresh supply amid the risk-on market mood.

Recent Interest Rates & US Treasury Yields

USD		0.25%
EUR		0.00%
GBP		0.25%
JPY		-0.10%
CAD		0.75%
AUD		0.10%
NZD		0.25%
	Change	Yield
2-yr Yield	+0.01	0.22%
5-yr Yield	+0.01	0.84%
10-yr Yield	+0.02	1.33%

The dollar index on Thursday rose +0.212 (+0.23%). The dollar index on Thursday rose moderately on a jump in T-note yields after the 10-year T-note yield rose to a 5-month high of 1.682%. The dollar extended its gains Thursday on hawkish comments from Fed Governor Waller. A rally in the S&P 500 Wednesday to a 1-1/2 month high curbed liquidity demand for the dollar. The US Dollar Index, which measures the greenback's performance against a basket of six peers, advances firmly 0.17%, currently at 93.722, uplifted by higher US T-bond yields, which rallied on the expectations that high inflation in the country, might force the Federal Reserve to react, hiking interest rates, sooner than later. Precious metals on Tuesday closed moderately higher, with silver climbing to a 5-week high. A fall in the dollar index to a 3-week low Tuesday boosted metals prices. Silver also garnered carry-over support from strength in copper and aluminum prices on supply concerns as soaring energy costs are forcing smelters around the world to close. Higher T-note yields and a rally in stocks on Tuesday limited gains in gold. Bullion has regained upside traction on Wednesday, amid a weaker US dollar, with upbeat earnings from the Healthcare sector buoying appetite for risk and easing concerns about supply chain disruptions and surging inflation. Wall Street is trading with moderate advances, while the US Dollar Index, which measures the greenback's value against the most traded currencies has extended its retreat to 93.50 area, 1% below the one-year high, at 94.50 reached last week. The data from the euro area showed on Wednesday that the annual Consumer Price Index remained steady at 3.4% in September as expected. In Canada, the CPI climbed to 4.4% from 4.1% and beat the market expectation of 4.3%. The Federal Reserve's Beige Book showed that the US economy continued to grow at a "modest to moderate" pace in September and early October. The publication further revealed S&P 500 Index gained 0.37% and stays within a touching distance of the record-high it set at 4,545 in early September.

Time(GMT)		Economic Release	IMP	Actual	Forecast	Prior
01:30		Westpac Leading Index MoM (SEP)	Medium	-0.02%		-0.27%
06:00		Core Inflation Rate YoY (SEP)	High		3%	3.1%
10:00		Inflation Rate YoY (SEP)	High		3.2%	3.2%
12:30		Core Inflation Rate YoY (SEP)	High			3.5%
19:00		Fed Quarles Speech	Medium			

Euro

EUR/USD on Thursday posted moderate losses due to strength in the dollar. Divergent central bank policies also weighed on EUR/USD, with the Fed expected to taper QE well before the ECB. A PMI for the euro zone services industry fell to 54.7 from 56.4, it's lowest since April. In Britain, outside the euro zone, the economy unexpectedly regained momentum. Euro continues to see a lot of negativity due to rising coronavirus figures and the fact that bond markets in the European Union still offer negative rates.



Yen

USD/JPY on Thursday posted moderate losses. The yen strengthened Thursday on increased safe-haven demand after the Nikkei Stock Index fell -1.67%. The yen also found support Thursday on a report from Kyodo News that said Tokyo is set to roll back pandemic restrictions starting this Monday. I do not necessarily think that is the easiest thing in the world to do, so a pullback would make a certain amount of sense. EUR/JPY has stalled around 133, which is just shy of its cyclical high around 134.



British Pound

The British pound has given away all the ground taken over the last two days, against a stronger JPY, favored by a deteriorated market sentiment. The pair has pulled back from multi-year highs at 158.20 to test prices right below 157.00. The British pound has given away all the ground taken over the last two days, against a stronger JPY, favored by a deteriorated market sentiment. The pair has pulled back from multi-year highs at 158.20 to test prices right below 157.00.



Canadian Dollar

Canadian dollar strengthens 0.1% against the greenback Loonie trades in a range of 1.2336 to 1.2368. The Canadian dollar edged higher against its U.S. counterpart on Wednesday as domestic data showing an 18-year high for inflation supported the market's. Canada's annual inflation rate climbed to 4.4% in September, driven by rising transportation, putting the focus on the Bank of Canada ahead of a rate decision next week. "Markets aren't much moved by the inflation print, with investors already having priced in a very hawkish outlook for the Bank of Canada prior to the release,"



Appendix

FOREX Closing Prices for October 21, 2021					
Currency	Open	High	Low	Close	Net Chg
EUR/USD	1.1651	1.1665	1.1618	1.1622	-0.0027
USD/JPY	114.27	114.396	113.632	113.965	-0.307
GBP/USD	1.382	1.3831	1.3774	1.379	-0.0032
USD/CHF	0.9187	0.9204	0.9168	0.9181	-0.0006
USD/CAD	1.2317	1.2381	1.2286	1.2364	0.0045
EUR/JPY	133.148	133.347	132.23	132.478	-0.7
GBP/JPY	157.927	158.177	156.75	157.193	-0.78
CHF/JPY	124.336	124.519	123.765	124.093	-0.271
AUD/JPY	85.872	86.22	84.854	85.07	-0.827
EUR/GBP	0.8424	0.8442	0.842	0.8425	0
EUR/CHF	1.0708	1.0718	1.0669	1.0675	-0.0032
GBP/CHF	1.2699	1.2715	1.2651	1.2662	-0.004

Daily Pivot Points							
Contract	Trading Range						
	S3	S2	S1	Pivot	R1	R2	R3
EURUSD	1.16	1.1588	1.1605	1.1635	1.1652	1.1682	1.1699
USDJPY	112.84	113.23	113.60	114.00	114.36	114.76	115.13
GBPUSD	1.3709	1.3741	1.3766	1.3798	1.3823	1.3855	1.3880
USDCHF	0.9129	0.9148	0.9165	0.9184	0.9201	0.9220	0.9237
USDCAD	1.2211	1.2249	1.2306	1.2344	1.2401	1.2439	1.2496
EURJPY	130.91	131.57	132.02	132.69	133.14	133.80	134.26
GBPJPY	155.14	155.95	156.57	157.37	158.00	158.80	159.42
CHFJPY	122.98	123.37	123.73	124.13	124.49	124.88	125.24
AUDJPY	83.18	84.02	84.54	85.38	85.91	86.75	87.27
EURGBP	0.8394	0.8407	0.8416	0.8429	0.8438	0.8451	0.8460
EURCHF	1.0608	1.0638	1.0657	1.0687	1.0706	1.0736	1.0755
GBPCHF	1.2573	1.2612	1.2637	1.2676	1.2701	1.2740	1.2765

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

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