

## How NFP Might Affect Forex

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Pair	Bias	Objective/Comments	Key Resistance	Key Support
EUR/USD	↓	Consolidates in 1.32-1.3070 range	1.3200	1.3070
USD/JPY	↓	Free-falling into intervention territory	76.8	75.35
GBP/USD	↓	Seems likely to test 200 day MA at 1.5952	1.5952	1.5817
AUD/USD	↓	Our targets at 1.07 handle achieved, awaiting consolidation	1.0790	1.0630
USD/CAD	↑	Testing parity, below would likely consolidate at 0.9909	1.0020	0.9961
USD/CHF	↑	Consolidates around 0.92	0.9205	0.9126

### Headlines

- The median Bloomberg forecast for payrolls is a gain of 140,000 jobs and an unemployment rate of 8.5%
- Canada's unemployment rose to a high 7.6% in January
- Euro leaders stalling over a plan to appease Greek creditors, saying it should be wrapped in the coming days
- Fed's soft QE measures will probably hold up markets for time being

### Summary

Positions are mainly being squared up before the nonfarm payrolls release at 08:30 New York time but the majors have not breached their respective range extremes and are only consolidating.

With Euro, we're expecting one of two things to happen; the likelihood for continued gains is higher because of the Fed's soft QE measure (pledging low rates for another 2 years). So even a worse than expected figure may stoke the market's expectation for assistance via QE.

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### Key Economic Events

- 04:00 – EZ PMI Services, **50.4** vs. 50.5 cons.
- 07:00 – CA Unemployment, **7.6%** vs. 7.5% cons.
- 08:30 – Nonfarm Payrolls, 140K cons.
- 08:30 – Unemployment Rate, 8.5% cons.
- 10:00 – US ISM Non-Manf., Factory Orders

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QE measure (pledging low rates for another 2 years). So even a worse than expected figure may stoke the market's expectation for assistance via QE. This is almost a repeat of what we saw in through all of 2009, H2 of 2010, and H1 of 2011.

As we've been stating in previous pieces, though, the effects of stimulus will not have as big of an effect on markets as previously. And the dynamics of a long European recession should eventually turn the currency downwards. For now though, we continue to look for a pop to the upside over 1.32 and 1.3250 to test the 1.3385 area before further assessment. Only a sustained failure under the 50 day moving average at 1.3058 would alter this view.

Watch our [Twitter feed live](#) for the NFP release and follow up, in addition to the [morning webinar](#).



Figure 1: Click on the chart to see the latest intraday Forex analysis.

Source: FX Club Research and Bloomberg

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