

[Previous](#) | [Next](#)

A last minute surge from US markets means we're tentatively trading in the black this morning. 5550 remains a hurdle for the FTSE which continues to offer resistance and for the Dow too the 10450 level is attracting sellers after having rejected it twice so far this week. For the Dow though if we see strength in Europe early on that could push US futures through resistance against the will of the Yanks and they might not appreciate having their hand forced by European markets. Come the time the US opens things will most likely be different as by then the US NFP will have been released.

Today's number is the focal point of today's trading despite varying predictions. The range of expectations is very wide as analysts are unsure of the effect that the dire weather conditions will have had on payrolls. For many parts of the northern hemisphere the weather has been its worst for over a decade and that's going to have an impact of many work patterns.

Jobless numbers are still improving in the US and Wednesday's Beige book confirmed that the majority of areas experienced a pick-up in activity, with consumer spending in particular being strong. That flies in the face of last week's shocking consumer confidence data, but it could very easily be put down as an anomaly due to the weather. It seems amazing that the climate can have such economic ramifications, but we all know how much we love talking about the weather! A negative number in today's NFP could very easily be put down to this and be just a blip in a continuing improvement in the US labour market.

Clients continue to oppose the move taking out short positions and who would blame them as for range traders such a move has proved lucrative in the last few trading sessions.

The euro and sterling, which have built up a little bit of support against the dollar over the last few days, were punished the moment Moody's downgraded Deutsche Bank. Both currencies had been doing well in the face of no action from the respective central banks, but the moment the news broke about Deutsche's downgrade the bears dug their claws into the two currencies.

The euro's falls are in danger of bringing it back to its lows and testing support below 1.3500. One gets the feeling that any more news flow that's euro negative could send us below support and open the flood gates again for the next fall. But for now we're at 1.3580 and support is seen around 1.3500 and 1.3450. If these levels are taken out then there's little between there and 1.3000.

Gold suffered from a little bit of profit taking after breaching near term resistance around 1125 and making a run for 1140. It couldn't hold onto gains yesterday after the dollar benefited from euro weakness and is sitting around 1135 nonchalantly. Support is seen around 1123 and then 1112, with the next targets for the bulls being 1145 and then 1162.

Crude prices held their own in the face of dollar strength and continue to hover just above \$80. We're still a little way off the highs around the \$84 mark and just seem to have run out of steam this week trading pretty much flat on the week. Oil trades will also be focusing on the NFP at lunch time today with any good number likely to give the bulls a good excuse to go and have a look at prices in the mid 80s.

 [Back to top](#)

 [Previous](#) | [Next](#)