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**EUR/USD GBP/USD USD/JPY XAU/USD**



# Technical Analysis

# EUR/USD muted after Draghi's comments



*"Longer term we still have major concerns over China but for the moment it backstops risk sentiment and that's negative for the yen and euro."*

- Royal Bank of Canada (based on Bloomberg)

## Pair's Outlook

ECB President Draghi confirmed his readiness to act in March, which used to have an immediate bearish impact on the Euro vs Dollar. The pair slumped towards 1.1150, therefore closing the session almost 90 pips lower from the opening mark. The bears are aiming at the support cluster near 1.11, namely the monthly R2, weekly S1 and 20-day SMA. Success here should imply a sell-off down to the major 200-day SMA at 1.1053. This level will be expected to contain a decline for some period of time, given that daily technical indicators remain committed to the bullish scenario.

## Traders' Sentiment

The number of long positions in the SWFX market declined to 44% by Tuesday morning from 46% a day earlier. Meantime, pending orders remain slightly bearish with respect to the pair.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-8%	-24%	-17%
Orders (±50 pips)	-8%	-12%	36%	6%
Orders (±100 pips)	-6%	-6%	34%	8%

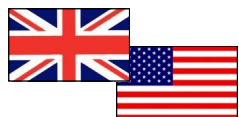
Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

EUR/USD Daily Chart Current price: 1.1154



Level	Rationale
Resistance 3: 1.1448/60	Bollinger band; Sep 2015 high
Resistance 2: 1.1382/90	Up-trend; weekly R1
Resistance 1: 1.1238/46	Weekly PP; monthly R3
Support 1: 1.1115/1.1092	Monthly R2; weekly S1; 20-day SMA
Support 2: 1.1053	200-day SMA
Support 3: 1.0972/47	Monthly R1; 100-day SMA; weekly S2; 55-day SMA

# GBP/USD risks breaking the four-week bullish trend



*"If there was a Brexit scenario, the market is considering the probability that could provide another headwind to growth in the UK and could result in lower rates from the Bank of England later this year."*

- Bank of Tokyo-Mitsubishi UFJ (based on Business Recorder)

## Pair's Outlook

The British currency started the week with a rather serious decline, but with the support line untested. Technical indicators are shifted from bullish to mixed signals in the daily timeframe, suggesting a possibility of a bearish reaction today exists. The up-trend is reinforced by the monthly PP, the weekly S1 and the 20-day SMA, thus, we should not see a more than 50-pip slump; unless inflation data disappoints dramatically. Meanwhile, the weekly PP is the closest resistance, but is unlikely to provide sufficient supply and limit the gains.

## Traders' Sentiment

Today 60% of all open positions are long, compared to 53%. At the same time, the number of purchase orders surged from 47 to 65%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	20%	6%	8%	7%
Orders (±50 pips)	36%	10%	2%	4%
Orders (±100 pips)	30%	-6%	-12%	-2%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Buy
ADX (14)	Neutral	Sell	Sell
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Buy	Sell	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

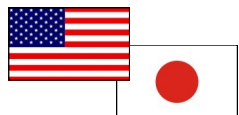
GBP/USD Daily Chart Current price: 1.4420



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5406	1.55		1.52
1.5212	1.51	1.51	
1.5018	1.49		1.47
1.4824		1.48	
1.4631			
1.4437			
1.4243			
1.4049			

	Level	Rationale
■ Resistance 3	1.4681/1.4708	Monthly R1; weekly R2
■ Resistance 2	1.4611/59	Weekly R1; Bollinger band; 55-day SMA
■ Resistance 1	1.4481	Weekly PP
■ Support 1	1.4397/80	20-day SMA; up-trend; weekly S1; monthly PP
■ Support 2	1.4255	Weekly S2
■ Support 3	1.4157/51	Weekly S3; Bollinger band

# USD/JPY consolidates around 114.50



*"The JPY was the victim of improved risk sentiment, its 'safe haven' appeal fading."*  
- BNZ (based on WBP Online)

## Pair's Outlook

With demand for less riskier assets, namely the Yen, lower, the US Dollar was able to post significant gains against it on Monday. Daily and weekly technical studies keep insisting that the given pair is likely to resume its bearish momentum rather sooner than later. The monthly S2 and the weekly PP form the nearest support cluster just under 114.00, but if bears manage to push the USD/JPY lower, this level will doubtfully hold. At the same time, the closest area to stop USD-buying is located above the 117.00 major level, more than 200-pips away from the spot price.

## Traders' Sentiment

Although more traders (64%) have a positive outlook towards the Buck (previously 48%), the share of buy orders slid from 59 to 51%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	-4%	-46%	-21%
Orders (±50 pips)	-12%	22%	34%	-6%
Orders (±100 pips)	2%	18%	20%	2%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Sell	Buy
CCI (14)	Neutral	Buy	Neutral
AROON (14)	Sell	Sell	Buy
Alligator (13; 8; 5)	Sell	Sell	Buy
SAR (0.02; 0.2)	Sell	Sell	Buy

USD/JPY Daily Chart Current price: 114.57



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122
	120.08		
	119.10		
	116.81		
	113.89		
	112.07		
	110.27		

	Level	Rationale
■ Resistance 3	120.08/44	100-day SMA; weekly R2
■ Resistance 2	119.10/59	55-day SMA; monthly PP
■ Resistance 1	116.81/117.50	Weekly R1; 20-day SMA; monthly S1
■ Support 1	113.89/88	Weekly PP; monthly S2
■ Support 2	112.07/111.78	Bollinger band; monthly S3
■ Support 3	110.27	Weekly S1

# Gold continues to slide as markets grow



*"The (precious metals) complex has benefited from the recent global risk-off attitude and heightened volatility. However, a pull-back was inevitable at some stage."*

- MKS Group (based on CNBC)

## Pair's Outlook

Yesterday markets were encouraged by dovish comments made by ECB President Draghi, while equities and many commodities rallied. Gold has therefore closed below the first target, namely monthly R3 at 1,209. Tuesday morning we are observing more selling pressure, which is pushing prices towards the October 2015 high at 1,191. By violating this initial daily support for today, the bullion will be in a good position to plummet down to the Feb 10 low at 1,181.50, followed by the bunch of demand levels between 1,170 and 1,165 (Aug 2015 high; monthly R2; 20-day SMA).

## Traders' Sentiment

Monday has seen a sharp plunge in the total number of long open positions in the SWFX market. The bullish share went down to 31% from 44%, which is the lowest level we have seen while analysing this commodity.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-38%	-12%	-14%	-8%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Neutral
ADX (14)	Buy	Buy	Sell
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

XAU/USD Daily Chart Current price: 1197.28



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1232			1250
1221			
1209			
1206	1206	1200	
1191			
1180			
1170			
1150.16			
1121.87		1125	1125
1093.58	1100		
1065.29	1071		
1037.00		1048	
			1037

	Level	Rationale
■ Resistance 3	1,232	May 2015 high
■ Resistance 2	1,221	Weekly PP
■ Resistance 1	1,209	Monthly R3
■ Support 1	1,191	Oct 2015 high
■ Support 2	1,180	Weekly S1
■ Support 3	1,170/65	Aug 2015 high; monthly R2; 20-day SMA

# EXPLANATIONS

## Signals

- **Buy** – the pair shows a clear uptrend
- **Sell** – the pair shows a clear downtrend
- **Neutral** – no specific trend for the pair

## Chart

- **SMA (55)** – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

## Indicators

- **MACD** – Moving average convergence divergence – momentum indicator
- **RSI** – Relative strength index – compares the magnitude of recent gains to recent losses in attempt to determine ‘overbought’ and ‘oversold’ conditions of the asset
- **Stochastic** – technical momentum indicator that compares a currency pair’s closing price to its price range over a given time period
- **ADX** – Average directional index – trend strength indicators
- **CCI** – oscillator used in technical analysis to help determine when a currency has been overbought or oversold
- **SAR** – trending indicator – shows the direction of a trend
- **AROON** – measures strength of a trend and likelihood that it will continue
- **Alligator** – trending indicator demonstrates presence of a trend and its direction

## Forecasts

*Third Quartile* – separates 25% of the highest forecasts



*Second Quartile* – the median price based on the projections of the industry

*First Quartile* – separates 25% of the lowest forecasts



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