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



# **Technical Analysis**

## EUR/USD to extend recovery



*"The combination of [the retail sales and PPI] and the pretty awful data we've seen thus far in September is pushing back when the Fed will hike, lowering the odds of December and raising the odds of 2016."*

- Credit Agricole (based on MarketWatch)

### Pair's Outlook

The fundamentals overrode technicals yesterday, and weak US data threw EUR/USD over several important resistances, paving the way for an extension of this rally. The upside is no longer limited by the monthly R1 and September high. And even though the long-term indicators are bearish, the pair has a good chance to visit monthly R2 at 1.1613 and even attempt to break higher. Still, we would like to see confirmation of the new support at 1.1450 first.

### Traders' Sentiment

Yesterday's spike resulted in a change in the SWFX sentiment, which became bearish (61% of positions are now short). At the same time we note a material increase in the share of buy orders. These could be SLs that may accelerate the move if the price keeps rising.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-22%	-6%	-2%	-5%
Orders (±50 pips)	40%	10%	6%	10%
Orders (±100 pips)	24%	10%	8%	5%

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

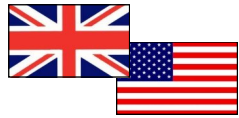
EUR/USD Daily Chart Current price: 1.1480



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1613			
1.1520			
1.1497			
1.1461			
1.1395			
1.1305	1.13		1.12
		1.11	
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
■ Resistance 3	1.1613	Monthly R2
■ Resistance 2	1.1520	Weekly R2
■ Resistance 1	1.1497	Bollinger band
■ Support 1	1.1461/38	Weekly R1; Sep high
■ Support 2	1.1395	Monthly R1
■ Support 3	1.1305/03	Weekly PP; 20-day SMA

## GBP/USD in limbo, awaits US data



*“Rather than advancing higher or attempting to recover momentum against the dollar, it looks far more likely that sterling will continue drifting towards \$1.51, with this being the level where traders found confidence throughout previous weeks that this might be a 'bottom' for the pair.”*  
- FXTM (based on Business Recorder)

### Pair's Outlook

In spite of worse-than-expected UK fundamentals, the Cable managed to surge on poor US economic data on Wednesday. The 229-pip rally was stopped only by the third resistance cluster around 1.5485, which might cause the Sterling to undergo a correction today. Nevertheless, if the US data turns out to be weak again today, the British Pound could reach a four-week high at 1.5568, bolstered by the 38.20% Fibo at that point. Technical studies also suggest the given pair is to edge higher by the end of the day.

### Traders' Sentiment

The number of long positions remains unchanged since yesterday, taking up 58% of the market. The share of purchase orders, on the other hand, increased 17 percentage points to 52%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	16%	16%	24%	22%
Orders (±50 pips)	-4%	-38%	12%	5%
Orders (±100 pips)	4%	-30%	8%	6%

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

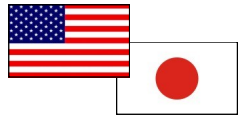
GBP/USD Daily Chart Current price: 1.5481



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5659		1.58	1.59
1.5521	1.56		
1.5485			
1.5421	1.54	1.54	1.54
1.5323			
1.5185	1.51	1.51	1.51

	Level	Rationale
■ Resistance 3	1.5659	Weekly R3
■ Resistance 2	1.5521/68	Weekly R2; Bollinger band; 38.20% Fibo
■ Resistance 1	1.5485/88	100-day SMA; monthly R1
■ Support 1	1.5421/12	55-day SMA; weekly R1
■ Support 2	1.5323/1.5274	20 and 200-day SMAs; weekly and monthly PPs
■ Support 3	1.5185/66	23.60% Fibo; weekly S1

# USD/JPY on the edge of breaking ten-month support



*"We look for annual headline inflation to slip into negative territory (+0.2% to -0.1%/y) while core inflation should hold firm at +1.8%/y (all as mkt expects)."*

- TD Securities (based on FXStreet)

## Pair's Outlook

Although the Buck broke out of its four-week consolidation range, the wider trading range remains intact. Technical indicators are now giving bearish signals, but a tough support rests near 118.50, as it held the pair from falling since February 2015. Another set of very weak data is required to push the USD/JPY beyond this level; therefore, a rebound is possible, with the Greenback's upside border lying around the 120.00 level, also surrounded by a number of resistances. However, risks of breaking the 118.50 support also persist, which could then trigger a sharper fall towards the Jan low.

## Traders' Sentiment

Bullish market sentiment returned to its Tuesday's level of 74%, whereas the portion of buy orders sharply dropped from 76 to 49%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	48%	44%	44%	44%
Orders (±50 pips)	-15%	60%	-16%	11%
Orders (±100 pips)	-2%	52%	10%	21%

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

USD/JPY Daily Chart Current price: 118.76



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
128			
127			
125			
125			
123			
123			
122			
121			
120.66			
119.72			
119.09			
118.78			
117.19			
117.37			
115.85			

	Level	Rationale
■ Resistance 3	120.66/88	Weekly R1; Bollinger band; 200-day SMA
■ Resistance 2	119.72/120.14	Weekly S1; 20-day SMA; weekly and monthly PPs
■ Resistance 1	119.09/20	Bollinger band; weekly S2
■ Support 1	118.78/53	Weekly S3; monthly S1
■ Support 2	117.19	Monthly S2
■ Support 3	115.85/80	January low; monthly S3

## Gold runs over 200-day SMA



*"The fact that gold is above the 200-day average after five months, it's a very strong signal that gold is on the uptrend for the time being. The strength in the gold market is going to stay for a while."*

- Sumitomo Corp. Global Research (based on Bloomberg)

### Pair's Outlook

We received a strong bullish signal yesterday, as gold effortlessly pierced through a dense resistance area, which was initially thought to be able to hold the bulls at bay. This means the price is highly likely to keep increasing, while the next serious level will be only at 1,205 dollars, represented by the monthly R3. However, this resistance is unlikely to stay intact for long. Above it XAU/USD will continue its journey towards 1,230, where the highest level since May merges with the major falling resistance trend-line.

### Traders' Sentiment

People trading gold seem to ignore gold's recovery. The sentiment has hardly changed since yesterday: the share of longs only fell from 52 to 50%. There are also no significant changes in the longer-term perspective: five days ago 53% of all open positions were long.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	0%	4%	6%	5%

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

XAU/USD Daily Chart Current price: 1183.18



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1205		1244	
1195			
1186			
1181			
1177			
1170			
1150	1150	1148	1150
1105	1105	1083	
			1062

	Level	Rationale
■ Resistance 3	1,205	Monthly R3
■ Resistance 2	1,195	Weekly R3
■ Resistance 1	1,186	Bollinger band
■ Support 1	1,181	Monthly R2
■ Support 2	1,177/76	Weekly R2; 200-day SMA
■ Support 3	1,170	Aug high

# 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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