



DUKASCOPY
RESEARCH PRODUCTS

01/12/2015

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



Technical Analysis

EUR/USD flat around 1.058 as ECB meeting nears



"The market is in a chicken race to sell the euro. Everyone is selling the euro while looking for a timing to buy it back."
- Resona Bank (based on Reuters)

Pair's Outlook

EUR/USD hovered modestly to the downside on Monday, but the currency pair saw few opportunities to be dragged significantly lower in course of the session. Euro-traders are waiting for the ECB gathering on Thursday, the main event this week. The crucial support remains unchanged, with the 1.0542/19 area pulling together three technical levels including weekly S1, lower Bollinger band and April low. Additional demand is offered by weekly S2/March low at 1.0492/61. From the other side, any possible gains will eventually confront a strong resistance at 1.0716/39.

Traders' Sentiment

The Dollar became a bit more popular during the last day of November, as the bearish share picked up from 48% to 51%. Most of the commands, however, are set to sell the 19-nation currency.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-2%	4%	0%	3%
Orders (±50 pips)	-32%	0%	-20%	-15%
Orders (±100 pips)	-18%	-4%	-30%	-15%

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

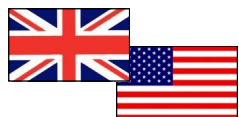
EUR/USD Daily Chart Current price: 1.0584



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.0716			
1.0665			
1.0615	1.13		
1.0542		1.11	
1.0492			1.12
1.0419			
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
Resistance 3	1.0716/39	20-day SMA; monthly PP; weekly R2
Resistance 2	1.0665	Weekly R1
Resistance 1	1.0615	Weekly PP
Support 1	1.0542/19	Weekly S1; Bollinger band; Apr low
Support 2	1.0492/61	Weekly S2; Mar low
Support 3	1.0419	Weekly S3

GBP/USD struggles to preserve bullish momentum



"Markets have nearly priced in a December rate increase, so chances are there won't be much more fresh buying incentives. That could spark profit taking."

- Gmo Corp. (based on Bloomberg)

Pair's Outlook

A correction occurred on Monday, causing the Cable to erase intraday losses and end the day with a 21-pip gain. The weekly pivot point remains the closest resistance today, but a rather high probability of the GBP/USD falling down again persists. The November low at 1.5026 keeps supporting the pair and could hold the losses. However, technical studies are giving bearish signals in all timeframes, implying that a breach of the immediate support is possible. The second target to limit the losses is around 1.4980, represented by the Bollinger band and the weekly S1.

Traders' Sentiment

SWFX traders' sentiment remains rather strong, with 56% of all positions long, whereas 53% of all orders are still to sell the Sterling.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	14%	-2%	-4%
Orders (±50 pips)	-16%	-22%	-28%	-12%
Orders (±100 pips)	-6%	-6%	-28%	-16%

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

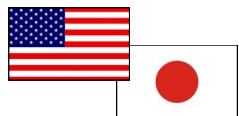
GBP/USD Daily Chart Current price: 1.5093



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5777		1.58	
1.5655			
1.5532	1.56		
1.5410	1.54	1.54	1.54
1.5287			
1.5164			
1.5042			
1.4919			
1.5250			
1.5140			
1.5084	1.51	1.51	1.51
1.5026			
1.4986			
1.4919			

Level	Rationale
Resistance 3: 1.5250/71	Weekly R2; 55-day SMA
Resistance 2: 1.5140/85	Weekly R1; 20-day SMA; monthly PP; 23.60% Fibo
Resistance 1: 1.5084	Weekly PP
Support 1: 1.5026	Nov low
Support 2: 1.4986/74	Weekly S1; Bollinger band
Support 3: 1.4919	Weekly S2

USD/JPY risks breaching up-trend again



"Given the (GPIF's) big exposure to the currency market, the story implies that a further weakness of the yen is hard to expect."

- A senior Japanese bank dealer (based on Market Watch)

Pair's Outlook

There were no surprises in the USD/JPY's performance, with the pair appreciating and returning above the up-trend. Even though the US Dollar weakened against the Yen in the early hours and is now continuously testing the immediate support cluster, from a technical point of view the US Dollar should extend its recovery today. The up-trend is also bolstered by the major level of 123.00, the 20-day SMA and the weekly PP, while technical indicators are giving bullish signals. The weekly R1, however, could provide sufficient supply and prevent the pair from edging up if fundamental data disappoints.

Traders' Sentiment

Today 72% of traders are holding short positions (74% previously), while the share of orders to buy the Buck dropped from 68 to 67%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-44%	-48%	-40%	-46%
Orders (±50 pips)	14%	36%	-16%	18%
Orders (±100 pips)	34%	36%	4%	12%

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	Neutral	Buy
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Sell	Buy
Alligator (13; 8; 5)	Buy	Sell	Buy
SAR (0.02; 0.2)	Buy	Buy	Buy

USD/JPY Daily Chart Current price: 122.89



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.22			128
123.74			127
123.22		125	125
123.03	125		123
122.36		122	
121.84	121		

	Level	Rationale
■ Resistance 3	124.22/47	Weekly R3; monthly R1
■ Resistance 2	123.74/75	Weekly R2; Bollinger band
■ Resistance 1	123.22	Weekly R1
■ Support 1	123.03/122.74	Up-trend; 20-day SMA; weekly PP
■ Support 2	122.36/22	Monthly PP; weekly S1
■ Support 3	121.84/74	Bollinger band; 100-day SMA; weekly S2

Gold attempts to retake July low at 1,070



"Gold has the potential for further short covering to take prices higher, especially if emerging market physical demand stays strong."

- HSBC (based on CNBC)

Pair's Outlook

Disappointing statistics on Chicago PMI and US pending home sales dragged American equity markets lower on Monday, which consequently supported the safe-haven commodity. Gold was pushed above the weekly pivot point at 1,063 yesterday, and today's rally is already being extended above July low of 1,070. Closure above the latter will change our expectations back from negative to neutral. Extra gains can be prolonged up to 20-day SMA/monthly PP at 1,084/86. However, the long term estimate keeps bearish bias, as we are approaching the critical Fed meeting on Dec 16.

Traders' Sentiment

At the moment around 70.26% of SWFX traders are holding long positions, a decrease of three percentage points' on a daily basis. This distribution reveals that gold is too overbought and long term risks are skewed to the downside.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	40%	46%	40%	43%

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

XAU/USD Daily Chart Current price: 1071.78



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233		1244	
1150			1225
1105	1150	1148	1150
1092			
1084			
1074			
1070			
1063		1083	
1059			1062

	Level	Rationale
■ Resistance 3	1,092	Weekly R2
■ Resistance 2	1,084/86	20-day SMA; monthly PP
■ Resistance 1	1,074	Weekly R1
■ Support 1	1,070	Jul low
■ Support 2	1,063	Weekly PP
■ Support 3	1,059	Bollinger band

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



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.