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



Technical Analysis

EUR/USD prepares for Super Week below 1.06



"The euro will likely see its trough in January-March but chances will grow for its rebound as expectations for U.S. rate hikes will be more moderate next year."

- Mizuho Bank Ltd. (based on Bloomberg)

Pair's Outlook

EUR/USD is getting ready for sharp losses by the end of new trading week, in case the ECB announces more stimulus on Thursday. By now all movements remain muted and follow a little volatile development of the previous week. Bears are setting eye on 1.0519 (April low) in the near term, which is reinforced by weekly S1, monthly S2 and lower Bollinger band. However, we expect the cross to pierce through 1.05 by the second half of the week. However, daily and weekly indicators preserve mixed views on the matter.

Traders' Sentiment

On Monday the Euro (52%) is preferred slightly more than its US counterpart (48%). On top of that, neither bulls nor bears are controlling the majority of pending orders.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	2%	6%	5%
Orders (±50 pips)	0%	-14%	-34%	-15%
Orders (±100 pips)	-4%	-6%	-36%	-17%

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

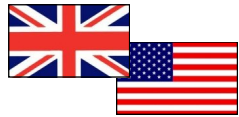
EUR/USD Daily Chart Current price: 1.0590



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09		1.11	
1.0733		1.07	1.07
1.0665			
1.0615	1.06		
1.0542		1.05	
1.0492			
1.0419			
			1.03

	Level	Rationale
Resistance 3	1.0733/39	20-day SMA; weekly R2
Resistance 2	1.0665	Weekly R1
Resistance 1	1.0615	Weekly PP
Support 1	1.0542/19	Weekly S1; monthly S2; Bollinger band; Apr low
Support 2	1.0492/61	Weekly S2; Mar low
Support 3	1.0419	Weekly S3

GBP/USD hovers over November low



"UK growth has been on a gently slowing path over the past 18 months, despite interest rates remaining at exceptionally low levels."

- Andy Haldane, BoE chief economist (based on WBP Online)

Pair's Outlook

In spite of all positive signs, the Sterling suffered a rather heavy loss against the US Dollar on Friday, amid rising conviction of the Fed hiking in December. The Nov low at 1.5026 was able to limit the losses and should cause the Cable to undergo a correction and rebound today. The immediate resistance to prevent any substantial gains is located only at 1.5084, but is unlikely to be reached. At the same time, risks of the GBP/USD edging even lower persist, with the weekly S1 and the Bollinger band providing support around 1.4970.

Traders' Sentiment

Market sentiment keeps improving, with 57% of all traders holding long positions today. The gap between the buy and the sell orders narrowed. Orders take up 47% and 53% of the market, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	6%	-22%	-9%
Orders (±50 pips)	-6%	4%	10%	-16%
Orders (±100 pips)	-14%	-16%	-16%	-19%

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

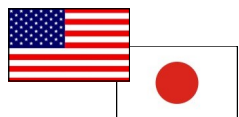
GBP/USD Daily Chart Current price: 1.5031



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5178			1.59
1.5140		1.58	
1.5084	1.56		
1.5026	1.54	1.54	1.54
1.4974			
1.4945	1.51	1.51	1.51

Level	Rationale
Resistance 3: 1.5178/85	20-day SMA; Monthly S1; 23.60% Fib
Resistance 2: 1.5140	Weekly R1
Resistance 1: 1.5084	Weekly PP
Support 1: 1.5026	Nov low
Support 2: 1.4974/69	Weekly S1; Bollinger band
Support 3: 1.4945/19	Monthly and weekly S2s

USD/JPY sets eye on the up-trend



“Market expectations for BOJ easing by year-end have already almost disappeared, and the impact of a likely decision of no policy change in December on USD/JPY would be limited.”

- Nomura (based on FXStreet)

Pair's Outlook

The US currency managed to outperform the Japanese Yen at the end of last week, after edging closer to the weekly low of 122.25. However, the immediate resistance pushed the USD/JPY back, resulting only in a 15-pip gains. Although the Greenback was unable to retake the up-trend, it still refuses to leave the line behind. The weekly PP and the 20-day SMA are holding the pair afloat around 122.70, while the immediate resistance, now represented by the weekly R1 at 123.22, could allow the Buck to return above the 123.00. Technical studies are supporting the bullish outcome.

Traders' Sentiment

There are still 74% of traders being short the US Dollar, while the portion of orders to acquire the Buck edged higher from 63 to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-48%	-48%	-46%
Orders (±50 pips)	36%	18%	-38%	18%
Orders (±100 pips)	26%	12%	-8%	5%

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: 122.71



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
123.74			128
123.49			127
123.22		125	125
122.74	125		
122.22		122	123
121.77			
121.65	121		

	Level	Rationale
■ Resistance 3	123.74/88	Weekly R2; Bollinger band
■ Resistance 2	123.49	Monthly R2
■ Resistance 1	123.22	Weekly R1
■ Support 1	122.74/68	Weekly PP; 20-day SMA
■ Support 2	122.22/04	Weekly S1; monthly R1
■ Support 3	121.77/74	100-day SMA; weekly S2

Gold rout is strengthened by uplifted Dollar



"Greenback strength is clearly not friendly to gold prices."
- IG Asia Pte (based on Bloomberg)

Pair's Outlook

With US markets reopening for shorter-than-usual session on Friday, the traders' focus was shifted back to the Fed December meeting and a busy new week. The bullion was sent down to 1,055 by Friday evening and it eventually confirmed the July low placed at 1,070. Now we are estimating additional losses for the yellow metal. The key support is located at 1,044 (2010 low), which will be the main bearish target before Friday US jobs data. Stronger losses should expose the next major demand at 1,031 (2008 high).

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment. More than 73% of SWFX traders are holding long positions, up one percentage point over the weekend. However, risks are skewed to the downside as gold seems to be overbought from the point of view of SWFX market participants.

XAU/USD Daily Chart Current price: 1056.74



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233	1244		
		1225	
1150	1148	1150	
1105			
	1083		
1070			
1063			
1059			
1055			
1046			
1035			
		1062	

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	46%	44%	40%	43%

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

Level	Rationale
Resistance 3 (1,070)	Jul low
Resistance 2 (1,063)	Weekly PP
Resistance 1 (1,059)	Monthly S2
Support 1 (1,055)	Bollinger band
Support 2 (1,046/44)	Weekly S1; 2010 low
Support 3 (1,035/31)	Weekly S2; 2008 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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