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



Technical Analysis

EUR/USD indecisive ahead of ECB decision



“The ECB will probably leave itself room for more asset buying and deeper cuts into the negative to avoid giving the impression it’s done with the easing. Markets are likely to respond in straightforward fashion with euro selling.”
- Credit Agricole (based on Bloomberg)

Pair’s Outlook

The bears performed strongly until the beginning of US session on Wednesday when EUR/USD managed to erode losses and bounce back to 1.10. In the morning on Thursday we see another round of selling pressure, but movements remain quite hesitant. It is all about the ECB meeting today. In December EUR/USD had spiked on disappointment. Bearish outcome of the gathering may send the pair well down to 1.08, in move that is estimated by daily technical indicators. However, the bulls will try to catch the first monthly resistance at 1.1227 in case there is dissatisfaction with the ECB's policy.

Traders’ Sentiment

Difference between long and short open positions in the SWFX market has been fixed at two percentage points throughout the past 24 hours, while pending orders deepened further into the red territory.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-2%	-2%	2%	2%
Orders (±50 pips)	-22%	-2%	-4%	-7%
Orders (±100 pips)	-12%	-8%	-8%	-9%

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

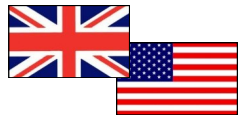
EUR/USD Daily Chart Current price: 1.0973



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1176			
1.1090			
1.1001			1.1
1.0975			
1.0910			
1.0872			
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
			1.01

	Level	Rationale
R3	1.1176/1.1202	Weekly R2; Bollinger band
R2	1.1090	Weekly R1
R1	1.1001/42	20-day SMA; monthly PP; 200-day SMA
S1	1.0975/58	55-day SMA; weekly PP
S2	1.0910	100-day SMA
S3	1.0872	Weekly S1

GBP/USD keeps struggling to remain above 1.42



“Sterling is likely to be most vulnerable on concerns of capital flight risk needed to fund the deficit, although its recent weakness has gone some way to reflect these risks.”

- Heartwood Investment Management (based on PoundSterlingLive)

Pair's Outlook

The British currency remained almost completely unchanged against the US Dollar on Wednesday in the wake of mixed fundamental data results. Although the Cable managed to stay above the 1.42 major level, technical studies suggest the pair could edge lower again today. The immediate support is represented by the 20-day SMA, the weekly and the monthly PPs, but the Sterling could still put the middle level of the cluster, namely the monthly PP at 1.4141, to the test. On the other hand, the psychological 1.42 mark might cause a rebound, as the GBP/USD was unable to close below that area since Monday.

Traders' Sentiment

Today 60% of traders have a positive outlook towards the British Pound, compared to 56% on Wednesday. At the same time, the share of sell orders barely changed, as it declined from 61 to 59%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	20%	12%	-20%	14%
Orders (±50 pips)	-16%	-40%	-38%	1%
Orders (±100 pips)	-18%	-22%	-40%	-3%

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

GBP/USD Daily Chart Current price: 1.4195



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.4518		1.56	1.56
1.4446	1.55		
1.4374			1.52
1.4175	1.51	1.51	
1.3962	1.49		
1.3813		1.48	1.47

Level	Rationale
R3	1.4518/37 Bollinger band; weekly R2
R2	1.4446 Monthly R1
R1	1.4374/79 Weekly R1; 55-day SMA
S1	1.4175/05 20-day SMA; weekly and monthly PPs
S2	1.3962 Weekly S1
S3	1.3813/1.3790 Bollinger band; down-trend

Gold falls on supportive central bank background



"We are not overly concerned about the pullback we saw in the past two days, as we think gold's uptrend remains intact as long as the metal closes above \$1,246."

- ScotiaMocatta (based on CNBC)

Pair's Outlook

The Greenback is appreciating on the back of weaker other currencies, while actual and expected central banks' expansionary policies are raising downside risks for gold. Yesterday XAU/USD failed to close under the weekly pivot point of 1,251, but today a selloff is being extended through this level. Any dovish movement by the ECB is likely to send the metal to the 1,230/23 area where demand will be offered by the February uptrend, 20-day SMA and weekly S1. However, December's frustration should be kept in mind, meaning less decisive Mario Draghi will increase upside risks for the bullion with an aim at recent peaks of 1,279.

Traders' Sentiment

Markets participants entered the wait-and-see mode before that crucial meeting of the ECB, as we have seen a freeze to distribution between the longs and shorts at 41-59% over the past 24 hours.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-18%	-18%	-23%

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

XAU/USD Daily Chart Current price: 1245.77



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1287			
1268			
1251			1250
1236			
1205	1206		
1191		1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,287/95 Weekly/monthly R1s
R2	1,268 Bollinger band
R1	1,251 Weekly PP
S1	1,236/23 Uptrend; weekly S1; 20-day SMA
S2	1,205 Monthly PP
S3	1,191/87 Bollinger band; weekly S2

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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