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



# Technical Analysis

Monday, March 21, 2016  
08:30 GMT

# EUR/USD set to attack 1.1320 for second time



*"Going up is hard to do, but the dollar will go up."*  
- Goldman Sachs (based on Bloomberg)

## Pair's Outlook

The bulls failed at the multi-month downtrend line (1.1320) on Friday and were thereby forced to commence a correction to the 1.1260 area. The first major support for this week is placed some 40 pips lower between 1.1223 and 1.1227 where the weekly pivot point coincides with the monthly R1. Given mixed aggregate daily technical indicators and bullish weekly ones, we foresee no immediate violation of this zone. Rather opposite, the market should give a chance to test 1.1320 once again, but another setback will put any potential recovery at risk.

## Traders' Sentiment

Both 50 and 100-pip pending orders are still set to acquire the Euro is exactly 52% of all cases, no shift from Friday. As for the distribution between long and short positions already opened in the SWFX market, here the latter (59%) substantially outpace the former (41%).

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-20%	-14%	-11%
Orders (±50 pips)	4%	4%	-16%	0%
Orders (±100 pips)	4%	4%	0%	2%

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

EUR/USD Daily Chart Current price: 1.1263

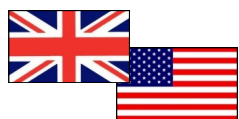


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1495			
1.1377			
1.1313			
1.1227			
1.1119			
1.1041			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1495/1.1507	October 2015 high; weekly R2
R2	1.1377/88	February high; Bollinger bands; weekly R1
R1	1.1313/43	Downtrend lines
S1	1.1227/23	Monthly R1; weekly PP
S2	1.1119/04	20-day SMA; weekly S1
S3	1.1041/17	200/55-day SMAs; monthly PP

Monday, March 21, 2016  
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# GBP/USD on the edge returning under 1.44



*"The Fed's dovish shift in forward expectations—and consensus is starting to capitulate on the strong dollar due to policy divergence' thesis."*

- Fundstrat Global Advisors (based on Market Watch)

## Pair's Outlook

The British currency remained relatively unchanged against the US Dollar on Friday, but edged slightly lower over the weekend, unable to maintain trade above the 1.45 mark. The Cable is now under the risk of falling back under the 1.44 major level, with the nearest support located even lower—around 1.4335, represented by the weekly PP and the 20-day SMA. Meanwhile, the monthly R1 is weighing on the GBP/USD pair from above, just above today's opening price. Furthermore, the pair is also located in a descending channel, and as technical studies in the daily timeframe suggest, there is still room for a rally towards the channel's upper border near 1.47.

## Traders' Sentiment

Bulls are only outnumbering the bears by two percentage points, whereas the share of sell orders decreased from 59 to 57%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	2%	-4%	10%	15%
Orders (±50 pips)	-42%	-22%	-36%	-8%
Orders (±100 pips)	-14%	-18%	2%	-1%

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

GBP/USD Daily Chart Current price: 1.4417

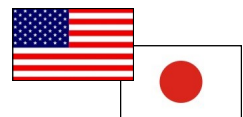


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
1.55			
			1.52
1.51	1.51		
1.49			
		1.48	
			1.47
1.4645			
1.4552			
1.4446			
1.4349			
1.4183			
1.3888			

	Level	Rationale
R3	1.4645/60	Weekly R1; 100-day SMA
R2	1.4552	Bollinger band
R1	1.4446	Monthly R1
S1	1.4349/20	Weekly PP; 55-day SMA
S2	1.4183/41	Weekly S1; 20-day SMA; monthly PP
S3	1.3888	Weekly S2

Monday, March 21, 2016  
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# USD/JPY hovers over 111.00



*"With the Fed reaffirming its caution in hiking rates, we expect a more gradual recovery of the USDJPY pair."*  
- UBS (based on Reuters)

## Pair's Outlook

As was anticipated, the USD/JPY currency pair recovered from its intraday low on Friday, but was unable to post significant gains, due to the Bollinger band providing sufficient resistance. However, the Bollinger band acts as the immediate support today, providing the Greenback with a chance to begin its recover against the Japanese Yen. The nearest resistance to limit the gains rests at 112.11, namely the weekly PP. According to technical indicators, the US Dollar is to remain relatively flat for another day, thus, neither significant level is likely to be broken today.

## Traders' Sentiment

Market sentiment remains strongly bullish, taking up 70% of the market, compared to 71% on Friday. The number of orders to sell the Buck is completely unchanged at 65%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	40%	42%	48%	46%
Orders (±50 pips)	22%	24%	-14%	-10%
Orders (±100 pips)	-30%	-30%	26%	3%

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

USD/JPY Daily Chart Current price: 111.47



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

	Level	Rationale
■ R3	113.55/66	Weekly R1; down-trend
■ R2	112.95	20-day SMA
■ R1	112.11	Weekly PP
■ S1	111.29	Bollinger band
■ S2	110.08	Weekly S1
■ S3	108.64/60	Weekly S2; monthly S1

# Gold erodes weekly gains on buoyant Dollar



*"In my mind there's still concerns out there on price."*  
- Ayers Alliance (based on CNBC)

## Pair's Outlook

The bullion continues to pare the rally, which took place throughout the previous week amid dovish policy decisions of the Fed. Now the Greenback is back on track, meaning gold is now attracting the bears that are likely to attempt penetrating the long-term uptrend at 1,245. A drop under here would confirm the rising wedge pattern and it will considerably worsen our future outlook for the metal. The following support is the 20-day SMA at 1,240; however, it is not backed by any other demand level for now. Most probably, the target will quickly switch to a dense cluster of supports just above 1,200.

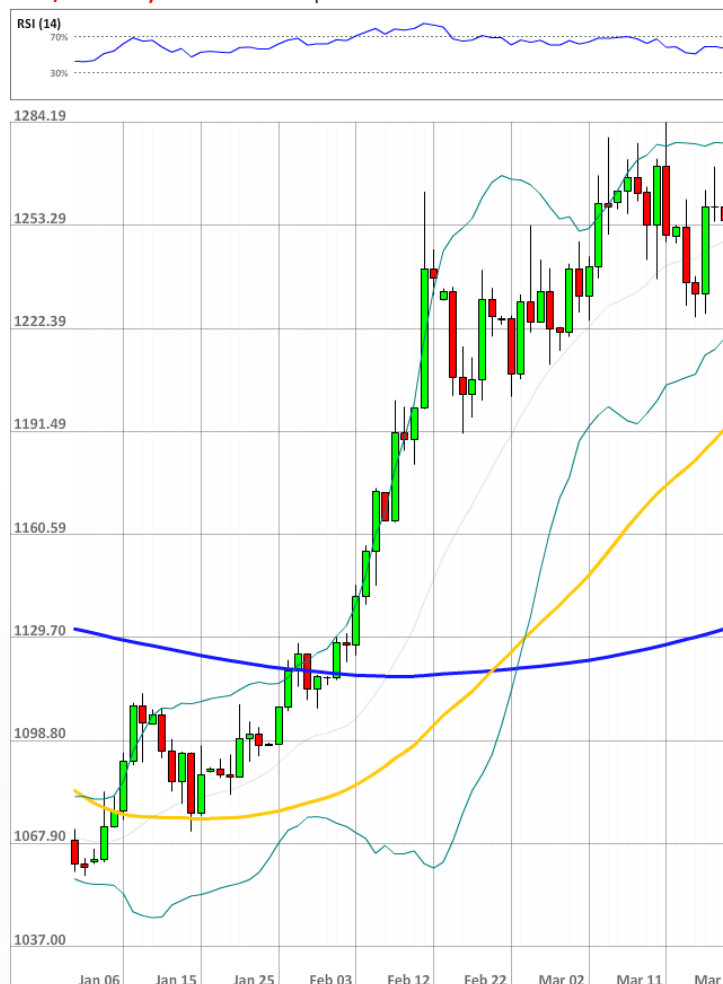
## Traders' Sentiment

During the past 72 hours of the weekend, only one percent of SWFX market participants decided to return to the bullish camp. For now the longs' market share is just 31%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-38%	-40%	-16%	-20%

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

XAU/USD Daily Chart Current price: 1242.78



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1270			
1263			
1245			1250
1240			
1230			
1210	1206	1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

	Level	Rationale
■ R3	1,270/75	Bollinger band; weekly R1
■ R2	1,263	February high
■ R1	1,245/50	Uptrend; weekly PP
■ S1	1,240	20-day SMA
■ S2	1,230	Weekly S1
■ S3	1,210/05	Bollinger band; monthly PP; 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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