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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD fails to consolidate at 1.13 after NFP



"For the euro to fall below \$1.08, there has to be something that challenges the integration of the common currency."
- Mizuho (based on Bloomberg)

Pair's Outlook

EUR/USD's rally on Friday was halted by the 1.13 level, which turned to be a very significant resistance for the cross. Therefore, the common currency bounced back toward 1.12 by the end of weekly trading, despite weak US non-farm payrolls. Nonetheless, the Dollar's overall weakness means the Euro is still poised for gains in the nearest future. At least a rise above the 50% Fibonacci retracement of the Jul-Aug uptrend is needed to change our outlook from neutral to positive. Extra support will be offered by the bunch of moving averages at 1.1162/39.

Traders' Sentiment

Distribution between bulls and bears is neutral on Monday morning. Alongside, the portion of long pending orders in 100-pip range from the spot increased from 38% to 43% over the weekend.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	0%	-2%	6%	4%
Orders (±50 pips)	-6%	-26%	-10%	-8%
Orders (±100 pips)	-14%	-24%	-22%	-13%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Sell
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)	Buy	Buy	Sell

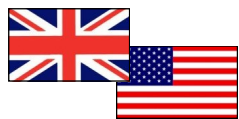
EUR/USD Daily Chart Current price: 1.1237



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.1358			
1.1305			
1.1241			
1.1220			
1.1162			
1.1139			
	1.1	1.1	
	1.08		1.09
		1.07	
	1.05		1.05
		1.04	
			1.03

	Level	Rationale
Resistance 3	1.1358/68	Bollinger band; 38.2% Fib
Resistance 2	1.1305	Weekly R1
Resistance 1	1.1241/61	Monthly PP; 50% Fib
Support 1	1.1220	Weekly PP
Support 2	1.1162/54	200 and 55-day SMAs; 61.8% Fib
Support 3	1.1139/22	100-day SMA; weekly S1

GBP/USD attempts to extend the rally



"We don't expect any change in policy [BoE's monetary policy], with a repeat of last month's 8-1 vote. It will be interesting to see what the MPC's minutes say about EM growth prospects given the MPC have had another month to digest some of the macro data."
- TD Securities (based on FXStreet)

Pair's Outlook

The British Pound managed to outperform the US Dollar on Friday and erase weekly losses, amid poor US Non-Farm Payrolls data. However, gains were still limited by the 23.60% Fibo for the fifth consecutive day. Trade opened above the Fibonacci retracement today, which together with the weekly PP is providing rather strong support, increasing the chances of another rally to occur. Although the weekly R1 is now the immediate resistance, technical indicators keep giving bearish signals, suggesting the Cable is to undergo a correction towards the weekly S1 at 1.5111

Traders' Sentiment

Bulls now take up 64% of the market (previously 63%), whereas the share of purchase orders increased from 50 to 65%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	26%	20%	20%
Orders (±50 pips)	40%	-4%	24%	2%
Orders (±100 pips)	30%	0%	12%	8%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Sell	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

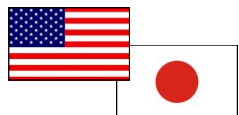
GBP/USD Daily Chart Current price: 1.5213



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.5875			1.58
1.5766		1.57	
1.5657	1.56		
1.5549			1.55
1.5440	1.54	1.54	
1.5331	1.5379		
1.5223	1.5297		
1.5114	1.5245		
1.5005	1.5185	1.52	
	1.5111	1.51	1.51
	1.5042		

Level	Rationale
Resistance 3: 1.5379	Weekly R3
Resistance 2: 1.5297/1.5324	Monthly PP; weekly R2; 20 and 200-day SMA
Resistance 1: 1.5245	Weekly R1
Support 1: 1.5185/76	23.60% Fibo; weekly PP
Support 2: 1.5111	Weekly S1
Support 3: 1.5042/37	Weekly S2; Bollinger band

USD/JPY stuck between the monthly PP and 20-day SMA



"A BOJ easing is highly unlikely. The BOJ does not have a wide range of options for a further easing."
- Deutsche Bank (based on Reuters)

Pair's Outlook

Even though the weak US fundamentals caused the USD/JPY to drop close to the monthly S1 at 118.53, the pair managed to recover most of the losses by day's end. Ultimately, the US Dollar remained unchanged against the Yen, losing only six pips, but remaining muted on Monday. The Greenback opened slightly above the monthly PP, which is providing strong support with the help of the weekly PP and the Bollinger band. Nevertheless, technical studies retain their bearish signs, implying that the Buck is to decline again.

Traders' Sentiment

Market sentiment keeps improving, as nearly three quarters (74%) of all positions are long (previously 71%), while the number of buy commands also edged higher, from 56 to 60%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	48%	42%	24%	29%
Orders (±50 pips)	-6%	32%	38%	3%
Orders (±100 pips)	20%	12%	44%	6%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Sell	Buy
CCI (14)	Neutral	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: 119.94



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
129			129
128			127
126			
125	125	125	125
124		124	
123			
121.27			
120.74			
120.17			
119.93			
118.83			
117.80			

	Level	Rationale
■ Resistance 3	121.27	Monthly R1
■ Resistance 2	120.74/87	Bollinger band; weekly R1; 200-day SMA
■ Resistance 1	120.17	20-day SMA
■ Support 1	119.93/59	Weekly and monthly PPs; Bollinger band
■ Support 2	118.83/53	Monthly and weekly S1s
■ Support 3	117.80	Weekly S2

Gold erases three-day losses, surges to 1,138



"The Fed is extremely unlikely to begin policy normalization as soon as this month and December is looking tenuous too."
- ANZ (based on CNBC)

Pair's Outlook

After initial jump, which took place immediately after the US report on non-farm payrolls, the bullion managed to hold gains and close around the 1,138 mark on Friday. Gold pierced through a number of important resistance lines during that bullish move. On top of that, the metal eroded all losses that have occurred since Sep 29. In case we see the price remaining upbeat on Monday, our expectations will refocus on the topside. Bulls are aiming at the 100-day SMA (1,144) at the moment, which acts as an intermediate supply before the Sep high at 1,156.

Traders' Sentiment

Distribution between bullish and bearish market participants in the SWFX market remains quite positive on Monday, but the total share of the longs decreased from 56% to 53% over the weekend.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	12%	0%	5%

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

XAU/USD Daily Chart Current price: 1135.80



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1154		1255	1250
1147			
1142			
1221			
1158			1197
1134		1173	
1127			
1117	1109		1111
1091			

	Level	Rationale
Resistance 3	1154/56	Bollinger band; weekly R1; Sep high
Resistance 2	1147	Monthly R1
Resistance 1	1142/44	61.8% Fib; 100-day SMA
Support 1	1134/30	50% Fib; 2014 low; weekly PP
Support 2	1127/23	20-day SMA; 38.2% Fib; monthly PP
Support 3	1117/12	55-day SMA; 23.6% Fib; weekly S1

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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