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



# Technical Analysis

Wednesday, April 13, 2016  
07:30 GMT

# EUR/USD: another wide daily range with no results



*"The strength in the EUR is unsustainable."*  
- Scotiabank (based on Exchange Rates)

## Pair's Outlook

Eight consecutive days of neither bullish nor bearish advantage has only ended with emergence of a firm uptrend resistance line for the EUR/USD currency pair. It is now connecting the February high with local April peaks at 1.1460. Despite indecisive trading, it seems that the risks are skewing back to the downside. The key support area to watch is 1.1329/09, where the first weekly demand line is strengthened by the 20-day SMA. Success here would set eye on the 1.12 mark (monthly PP, weekly S3), followed by the March 24 low at 1.1143.

## Traders' Sentiment

The bulls continued to push their ideas forward yesterday, but they managed to raise their respective SWFX market share to just 42%, which is one percentage point higher than 24 hours ago. Meanwhile, pending orders stay bearish in 60% or more cases.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-16%	-18%	-20%	-19%
Orders (±50 pips)	-30%	-4%	2%	-10%
Orders (±100 pips)	-20%	-20%	6%	-14%

Indicator	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	Neutral	Sell
CCI (14)	Neutral	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 1.1360

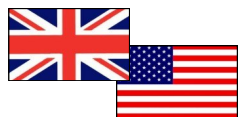


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1480			
1.1457			
1.1391			
1.1329			
1.1264			
1.1204			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1480/95	Bollinger band; October 2015 high
R2	1.1457/60	Weekly R1; uptrend
R1	1.1391	Weekly PP
S1	1.1329/08	Weekly S1; 20-day SMA
S2	1.1264	Weekly S2
S3	1.1204/02	Monthly PP; weekly S3



# GBP/USD takes a crack at the down-trend



*"We sell GBP/USD at 1.4450, stop 1.4610. Even if the polls break toward more clearly toward "Brexit" ahead of the 23 June referendum it's hard to see GBP forcefully unwinding its Brexit premium until the certainty of the vote is out of the way."*  
- Westpac (based on FXStreet)

## Pair's Outlook

The Cable edged higher on Tuesday, but with gains being limited due to mixed fundamental data results and the four-week down-trend playing its part. There is no room for another rally today, unless supply at the mentioned resistance line is insufficient to cause the GBP/USD currency pair to make a U-turn. In case bears take over the market, we should see a decline towards second support area, namely the weekly PP at 1.4151. On the other hand, a failure to push the pair lower will result in a retake of the 1.43 psychological level, despite it being bolstered by the weekly R1. The second resistance, however, lies out of reach around 1.4480.

## Traders' Sentiment

Market sentiment remains bullish at 61%, compared to 64% previously. The share of purchase orders inched up from 58 to 60%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	22%	28%	32%	27%
Orders (±50 pips)	26%	14%	8%	10%
Orders (±100 pips)	20%	16%	24%	13%

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

GBP/USD Daily Chart

Current price 1.4240

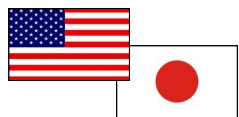


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
	1.55		
			1.52
	1.51	1.51	
	1.49		
		1.48	
			1.47
	1.4580		
	1.4467		
	1.4280		
	1.4270		
	1.4151		
	1.4014		

	Level	Rationale
R3	1.4580/1.4615	Down-trend; weekly R3; monthly R1
R2	1.4467/93	Weekly R2; Bollinger band; 100-day SMA
R1	1.4280/96	Down-trend; weekly R1
S1	1.4270/54	20 and 55-day SMAs; monthly PP
S2	1.4151	Weekly PP
S3	1.4014/1.3979	Bollinger band; monthly and weekly S1s

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# USD/JPY: downside risks persist



*"Given that the market is quite short USD against the EUR and JPY, and with US inflation data also likely to be on the firm side on Thursday, we expect the USD's corrective recovery against the core majors to extend a little further this week."*  
- BNP Paribas (based on Business Recorder)

## Pair's Outlook

The US Dollar managed to outperform the Japanese Yen on Tuesday, but with gains limited by the immediate resistance in face of the monthly S2. According to technical indicators, the USD/JPY currency pair is now likely to prolong its previous one-week decline, with the closest support located around 107.55, represented by the 18-month low and the Bollinger band. However, the USD now risks establishing a new low, with the second support area resting circa 106.60, namely the monthly S3 and the weekly S1. Technical indicators are bolstering this scenario with their bearish signals, but upbeat US fundamentals might still trigger a rally, causing the Buck to climb over the 109.00 mark.

## Traders' Sentiment

Bullish traders' sentiment return to its last Wednesday's level of 73%, whereas sell orders are outnumbering the buy ones by only 4% points.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	46%	40%	46%	44%
Orders (±50 pips)	-24%	-2%	-14%	-13%
Orders (±100 pips)	-4%	-16%	-24%	-15%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Sell	Sell	Sell
CCI (14)	Neutral	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 108.90



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

	Level	Rationale
R3	112.59/85	Monthly PP; down-trend
R2	110.63/111.06	Monthly S1; weekly R1; 20-day SMA
R1	108.70/109.16	Monthly S2; weekly PP
S1	107.63/47	Bollinger band; 18-month low
S2	106.74/53	Monthly S3; weekly S1
S3	105.03	Weekly S2



Wednesday, April 13, 2016  
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# Gold takes break after touching 1,260



*"We see sufficient uncertainty mixed with the threat of currency intervention and policy disagreements over negative interest rates to buoy gold prices."*

- HSBC (based on The Bullion Desk)

## Pair's Outlook

Tuesday's trading range of gold prices was very tight, compared to Monday's one. XAU/USD tested the crucial 1,260 mark, namely the weekly R2, but was eventually forced to come back and close the US evening session near 1,255. A second unsuccessful attempt to breach the 1,260/63 resistance cluster, which is also backed by the February high, would diminish the outlook. The bears are starting to prepare for an attack on a very dense demand between 1,237 and 1,221. Only by closing below the latter (55-day SMA) the bullion will be able to reestablish the negative outlook, which is backed by the daily technical indicators.

## Traders' Sentiment

Sentiment among traders of the SWFX market has changed by only one percentage point since yesterday, as about two thirds of all market participants are still maintaining a sceptical opinion on gold.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-32%	-34%	-8%	-15%

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

XAU/USD Daily Chart

Current price 1248.95



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1278			
1274			
1260			
1249			1250
1241			
1232			
1206		1200	
1125			1125
1100			
1071			
1048			
1037			

	Level	Rationale
R3	1,278	Weekly R3
R2	1,274	Monthly R1
R1	1,260/67	Weekly R2; Bollinger band; February high
S1	1,249	Weekly R1
S2	1,241/37	Monthly PP; 20-day SMA
S3	1,232	Weekly PP

## 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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