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



Technical Analysis

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	↗	↗	↘

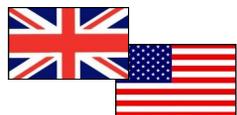
EUR/USD Daily Chart Current price 1.1360



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
1.4580		1.56	1.56
1.4467	1.55		1.52
1.4280	1.51	1.51	
1.4270	1.49		
1.4151		1.48	
1.4014			1.47

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

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			1250
1249			
1241			
1232			
1206		1200	
1100		1125	1125
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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