



**DUKASCOPY**  
RESEARCH PRODUCTS

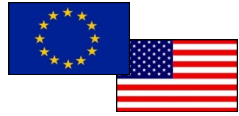
23/03/2016

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



# Technical Analysis

# EUR/USD eases below 1.1220, sets eye on 1.1145



*"Evans's comments are taken hawkishly by the U.S. dollar."*  
- Westpac Banking Corp (based on Bloomberg)

## Pair's Outlook

Inside the current triangle pattern (boundaries at 1.1310 and 1.0860), EUR/USD is now descending to the South. Yesterday it slid below the weekly PP, monthly R1 and 23.6% Fibonacci retracement of this month's earlier climb. The primary target is the 38.2% retracement at 1.1145, followed by the 20-day SMA ten pips from below. The ultimate long-term bearish goal seems to be the pattern's lower bound at 1.0860. However, daily indicators continue supporting the bulls. Moreover, the 55-day SMA is going to breach the 200-day SMA to the upside soon, which is going to be a positive sign.

## Traders' Sentiment

Over the previous 24 hours the SWFX market sentiment has been pretty much steady at 43-57%.

| Sentiment          | Today | Yesterday | 5 days ago | 10-day avg. |
|--------------------|-------|-----------|------------|-------------|
| Open Positions     | -14%  | -12%      | -16%       | -13%        |
| Orders (±50 pips)  | -18%  | 28%       | 22%        | 0%          |
| Orders (±100 pips) | -2%   | 18%       | 12%        | 4%          |

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

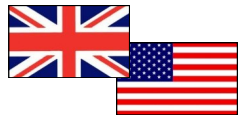
EUR/USD Daily Chart Current price 1.1192



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1.1377               |           |       |       |
| 1.1310               |           |       |       |
| 1.1220               |           |       |       |
| 1.1145               |           |       |       |
| 1.1104               |           |       |       |
| 1.1040               |           |       | 1.1   |
|                      | 1.08      | 1.08  |       |
|                      | 1.05      | 1.05  | 1.05  |
|                      | 1.03      |       | 1.02  |
|                      |           | 1.01  |       |

|      | Level         | Rationale                                 |
|------|---------------|---|
| ■ R3 | 1.1377/1.1409 | February high; Bollinger bands; weekly R1 |
| ■ R2 | 1.1310/42     | Downtrend lines; March 17 high            |
| ■ R1 | 1.1220/27     | 23.6% Fib; Monthly R1; weekly PP          |
| ■ S1 | 1.1145/33     | 38.2% Fib; 20-day SMA                     |
| ■ S2 | 1.1104/1.1084 | Weekly S1; 50% Fib                        |
| ■ S3 | 1.1040/21     | 200/55-day SMAs; monthly PP; 61.8% Fib    |

# GBP/USD struggles to maintain trade above 1.42



*“The attack in Brussels, on the back of terrorist attacks in Turkey over the weekend ... is bad news for the U.K., because it plays into the hands of those who want to leave, thinking that somehow if they leave they're safe.”*

- Brown Brothers Harriman (based on CNBC)

## Pair's Outlook

Upon retaking the 1.44 psychological level on Tuesday, the Pound suddenly made a U-turn and slumped to 1.42, amid the events in Brussels. The Sterling now faces a support cluster around 1.4170, represented by the 20-day SMA, the weekly S1 and the monthly PP. Technically, we should see the GBP/USD currency pair undergo a correction today and attempt to reach the 1.43 mark again, but there is still sufficient room to a decline towards the immediate support cluster's last level—the monthly PP at 1.4141. This PP held the Sterling from edging lower against the Buck since the beginning of the month and is likely to keep the Cable afloat if bears take over the market.

## Traders' Sentiment

Bullish sentiment grew stronger, as 63% of traders are now long the Pound (previously 58%). The portion of buy orders slid from 60 to 56%.

| Sentiment          | Today | Yesterday | 5 days ago | 10-day avg. |
|--------------------|-------|-----------|------------|-------------|
| Open Positions     | 26%   | 16%       | 30%        | 17%         |
| Orders (±50 pips)  | 6%    | 4%        | 2%         | -6%         |
| Orders (±100 pips) | 12%   | 20%       | 12%        | 3%          |

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

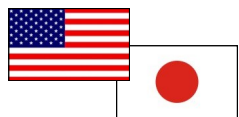
GBP/USD Daily Chart Current price 1.4175



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1.55                 |           | 1.56  | 1.56  |
| 1.51                 |           | 1.51  | 1.52  |
| 1.49                 |           |       |       |
| 1.48                 |           |       | 1.47  |
| 1.4538               |           |       |       |
| 1.4446               |           |       |       |
| 1.4302               |           |       |       |
| 1.4201               |           |       |       |
| 1.3888               |           |       |       |
| 1.3692               |           |       |       |

|    | Level         | Rationale                         |
|----|---------------|-----------------------------------|
| R3 | 1.4538        | Bollinger band                    |
| R2 | 1.4446        | Monthly R1                        |
| R1 | 1.4302/49     | 55-day SMA; weekly PP             |
| S1 | 1.4201/1.4141 | 20-day SMA; weekly S1; monthly PP |
| S2 | 1.3888/63     | Weekly S2; Bollinger band         |
| S3 | 1.3692        | Weekly S3; down-trend             |

# USD/JPY under the risk of plunging under 112.00



*"The news is having impact on sentiment. Safe-haven currencies are being supported on the headlines."*  
- Nomura (based on Reuters)

## Pair's Outlook

The Greenback extended its gains against the Yen on Tuesday, breaching the immediate resistance in face of the weekly PP. The US Dollar is expected to prolong its rally, but with gains limited by the 113.00 major level, which in turn is reinforced by the 20-day SMA. The USD/JPY pair's main target is the descending channel's resistance line around 113.50, but setbacks might also occur, as technical indicators suggest. The exchange rate could return back below the 112.00 mark and find support only around 111.44, represented by the Bollinger band.

## Traders' Sentiment

Today 74% of all open positions are long, one percentage point up since yesterday. At the same time, the buy and the sell orders broke out of the equilibrium, with sell ones now taking up 63% of the market.

| Sentiment          | Today | Yesterday | 5 days ago | 10-day avg. |
|--------------------|-------|-----------|------------|-------------|
| Open Positions     | 48%   | 46%       | 48%        | 46%         |
| Orders (±50 pips)  | -10%  | 16%       | 0%         | -2%         |
| Orders (±100 pips) | -26%  | 0%        | -12%       | 4%          |

| 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)             | Neutral | 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 112.33



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

| Level | Rationale                       |
|-------|---------------------------------|
| R3    | 114.54<br>Bollinger band        |
| R2    | 113.55<br>Weekly R1; down-trend |
| R1    | 113.00<br>20-day SMA            |
| S1    | 112.11<br>Weekly PP             |
| S2    | 111.45<br>Bollinger band        |
| S3    | 110.95<br>Down-trend            |

# Gold to plunge below 1,235 in volatile trading



*“Particularly in the U.S., this slow normalization of the economy should result in a grind higher in real interest rates and cap the attractiveness of precious metals as an investment.”*

- BMI Research (based on CNBC)

## Pair's Outlook

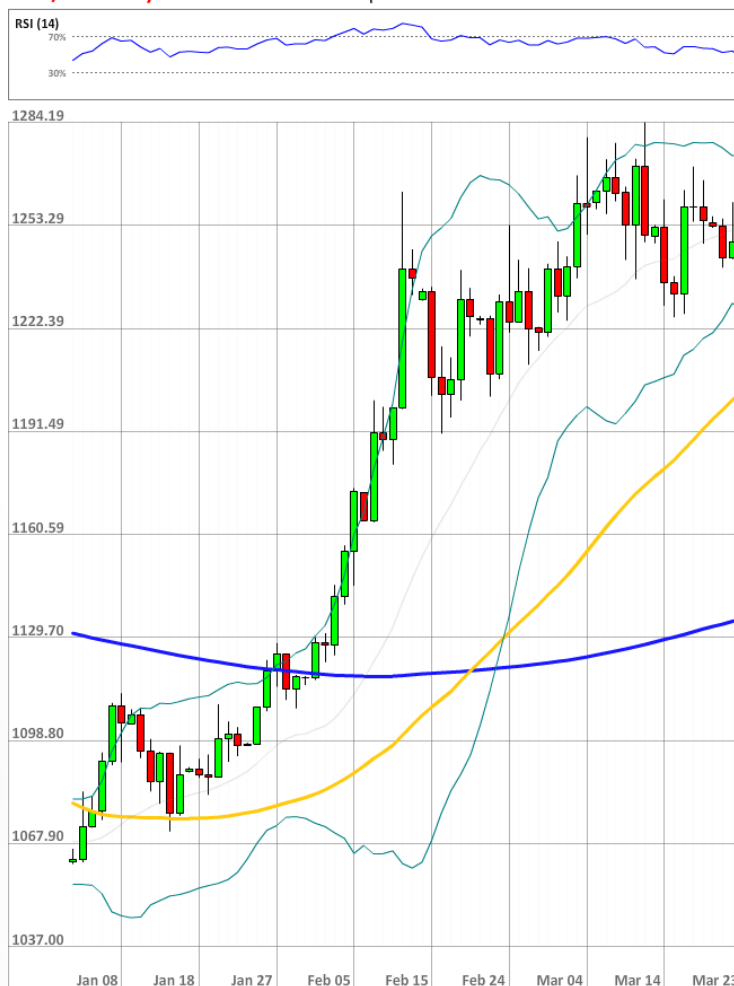
The bullion's activity is very high this Wednesday morning. Following the bullish failure to push prices anywhere beyond the 1,250 level, today we are seeing a heavy selling pressure. The most immediate support is the two-month uptrend located at 1,235; however, we suspect that formidable bearish sentiment will lead to a testing of the 1,230 area that consists of the weekly S1 and 23.6% Fibonacci retracement of Dec-Mar uptrend. Closure under 1,227 will signify that gold is ready to tackle the 1,205 mark where the monthly pivot point merges with the second weekly demand line.

## Traders' Sentiment

Tuesday has seen an additional improvement in terms of the bullish side of SWFX positions. It added one more percent to increase up to 35% by the March 23 morning.

XAU/USD Daily Chart

Current price 1232.85



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1263                 |           |       |       |
| 1250                 |           |       |       |
| 1240                 |           |       | 1250  |
| 1230                 |           |       |       |
| 1212                 |           |       |       |
| 1205                 | 1206      | 1200  |       |
|                      |           | 1125  | 1125  |
|                      | 1100      |       |       |
|                      | 1071      |       |       |
|                      |           | 1048  |       |
|                      |           |       | 1037  |

| Sentiment      | Today | Yesterday | 5 days ago | 10-day avg. |
|----------------|-------|-----------|------------|-------------|
| Open Positions | -30%  | -32%      | -10%       | -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)             | Neutral | Buy     | Buy     |
| CCI (14)             | Neutral | Neutral | Neutral |
| AROON (14)           | Sell    | Buy     | Sell    |
| Alligator (13; 8; 5) | Buy     | Buy     | Sell    |
| SAR (0.02; 0.2)      | Sell    | Buy     | Buy     |
| Aggregate            | ↘       | ↗       | →       |

| Level | Rationale                        |
|-------|----------------------------------|
| R3    | 1,263<br>February high           |
| R2    | 1,250<br>Weekly PP               |
| R1    | 1,240<br>20-day SMA              |
| S1    | 1,230/27<br>Weekly S1; 23.6% Fib |
| S2    | 1,212<br>Bollinger band          |
| S3    | 1,205<br>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



**Newest releases and archive:**

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

**Additional information:**

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

**Social networks:**



**Disclaimer**

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.