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



Technical Analysis

EUR/USD to challenge monthly R3 at 1.1246



“The bigger-picture trend in terms of dollar/yen and euro/dollar is very much complicit with risk appetite turning once again lower after a relatively lackluster session with large parts of Asia out.”

- Canadian Imperial Bank of Commerce (based on Bloomberg)

Pair's Outlook

EUR/USD turned around yesterday, as rising market instability raised attractiveness of the Euro and sent the pair back to 1.12. The monthly R2 at 1.1115 acted as a reliable support line and managed to avoid a deeper sell-off. The bulls are watching the monthly R3 at 1.1246, which has not been overcome yet. A spike above here will neutralize our outlook on EUR/USD, meaning we continue to see correction as the base case. Intraday losses are possible in the direction of the monthly R2, and a failure here should alleviate any bullish pressure to allow for a drop down to weekly PP at 1.1072.

Traders' Sentiment

62% of all market participants continue betting on a drop of the Euro against the Dollar, even though 67% of pending orders are set to acquire the European currency in the 100-pip range from the spot.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-24%	-32%	-14%	-14%
Orders (±50 pips)	36%	14%	-20%	7%
Orders (±100 pips)	34%	10%	-18%	3%

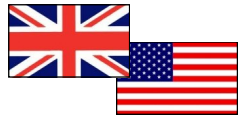
Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Sell	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

EUR/USD Daily Chart Current price: 1.1204



Level	Rationale
Resistance 3: 1.1460	Sep 2015 high
Resistance 2: 1.1330	Weekly R1
Resistance 1: 1.1246/52	Monthly R3; Bollinger band
Support 1: 1.1115	Monthly R2
Support 2: 1.1072/53	Weekly PP; 200-day SMA
Support 3: 1.0993/58	Monthly R1; 20/100-day SMAs

GBP/USD: bullish trend intact



"After benefiting from dollar weakness across the currency markets last week, it looks like the correction in sterling/dollar might have concluded."

- FXTM (based on Business Recorder)

Pair's Outlook

The British currency extended its decline against the US Dollar on Monday, but with trade closing above the expected 1.44 level. The Cable has been trading in a bullish trend for three weeks straight, although the up-trend might be put to the test today. Nonetheless, the monthly PP and the 20-day SMA are bolstering the support line and should limit the losses around 1.4340. Meanwhile, the role of the closest resistance was taken by the weekly PP at 1.4467, but the GBP/USD weakness remains the anticipated outcome.

Traders' Sentiment

Bulls and bears broke out of the equilibrium, with 54% of all open positions now being long and the remaining 46% - short. At the same time, the number of sell orders increased from 43 to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	0%	-22%	9%
Orders (±50 pips)	2%	30%	-26%	1%
Orders (±100 pips)	-12%	14%	-28%	-6%

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

GBP/USD Daily Chart Current price: 1.4411



Level	Rationale
Resistance 3: 1.4681/1.4713	Monthly R1; weekly R1; 55-day SMA
Resistance 2: 1.4601	Bollinger band
Resistance 1: 1.4467	Weekly PP
Support 1: 1.4380/31	Monthly PP; 20-day SMA; up-trend
Support 2: 1.4266	Weekly S1
Support 3: 1.4100	Bollinger band

Gold sees upside pressure, set to retest 1,200



"While it's quite clear that one of the drivers here is a weaker U.S. dollar, it does appear that risk appetites are diminishing and that of course means more demand for gold."

- CMC Markets (based on CNBC)

Pair's Outlook

Stress across global equity markets is skewing gold's risks to the upside. Yesterday the August 2015 high/monthly R2 at 1,170/68 defended intraday bearish attacks, which resulted in a resumption of the up move. Prices touched the 1,200 mark, but ultimately bounced back to close below the October 2015 high at 1,188. In fact, bullish success above 1,193 (weekly R1) will imply a climb up to the last monthly supply at 1,209 and weekly R2 at 1,213. Given instability of fundamentals, in a nutshell we would not estimate the rally is over.

Traders' Sentiment

Yesterday the long share retreated to 43% from 50%, falling into minority for the first time in three months and reaching the lowest level in more than a year.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	0%	16%	5%

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

XAU/USD Daily Chart Current price: 1191.08



Level	Rationale
Resistance 3	1,232 May 2015 high
Resistance 2	1,209/13 Monthly R3; weekly R2
Resistance 1	1,191/95 Oct 2015 high; weekly R1; Bollinger band
Support 1	1,170/68 Monthly R2; Aug 2015 high
Support 2	1,156/54 Sep 2015 high; weekly PP
Support 3	1,143 Monthly R1

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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