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



Technical Analysis

EUR/USD touched 7-month low at 1.0565



"We expect the ECB will cut the deposit rate by more than the market expects next week. This should keep the euro a sell on rallies into the meeting and allow the euro to test \$1.05 if the ECB meets our expectations."
- Royal Bank of Scotland (based on Bloomberg)

Pair's Outlook

A first bunch of strong US data boosted the Dollar on Wednesday, thus sending EUR/USD down to a 7-month low of 1.0565. However, later the pair rebounded to close the session somewhat above 1.0620. However, the bias is negative and we foresee additional losses for the Euro in the foreseeable future. Yesterday's development confirms ability of EUR/USD to slide as low as April low at 1.0519. This is the closest major support for the pair, which should be able to cap a sell-off for some period of time.

Traders' Sentiment

SWFX open positions are swinging between gains and losses as the share of bulls rose from 49% to 51% in the past 24 hours. 48% of pending orders are set to buy the Euro in both 50 and 100-pip ranges, up from only 36% and 39% on Wednesday, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	-2%	8%	6%
Orders (±50 pips)	-4%	-28%	10%	-14%
Orders (±100 pips)	-4%	-22%	4%	-18%

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

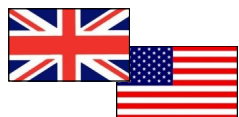
EUR/USD Daily Chart Current price: 1.0619



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09			
1.0808			
1.0733			
1.0674			
1.06			
1.0586			
1.0533			
1.0461			
			1.03

	Level	Rationale
Resistance 3	1.0808/21	Jul low; weekly R2
Resistance 2	1.0733/68	Weekly R1; monthly S1; 20-day SMA
Resistance 1	1.0674	Weekly PP
Support 1	1.0586	Weekly S1
Support 2	1.0533/16	Bollinger band; weekly and monthly S2; Apr low
Support 3	1.0461	Mar low

GBP/USD trades flat, attempts to prolong the rally



"We see very little to upset or upend the December rate hike, cumulatively, we think there's no reason for the Fed not to act."

- U.S. Bank Wealth Management (based on Reuters)

Pair's Outlook

The Sterling outperformed the US Dollar yesterday, amid the budget announcement in the Autumn Forecast Statement. However, despite this correction, the Cable is still expected to touch the Nov low of 1.5026, before making its way higher to retest the down-trend. The weekly S1 is an obstacle today, providing immediate support and holding the losses for now. Technical studies in the daily timeframe shifted from bearish to mixed, suggesting there is a possibility for the GBP/USD to extend the rally, also taking advantage of the US bank holiday today.

Traders' Sentiment

Today 53% of traders are holding long positions (previously 52%), whereas the number of sell orders added 1% point, climbing to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	4%	-20%	-12%
Orders (±50 pips)	4%	-28%	16%	-17%
Orders (±100 pips)	-16%	-14%	-16%	-19%

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

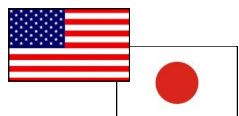
GBP/USD Daily Chart Current price: 1.5123



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5290			1.59
1.5218		1.58	
1.5185			
1.5114	1.56		
1.5043	1.54	1.54	1.54
1.4992			
	1.51	1.51	1.51

Level	Rationale
Resistance 3: 1.5290/95	55-day SMA; weekly R1
Resistance 2: 1.5218/25	20-day SMA; weekly PP
Resistance 1: 1.5185	23.60% Fib
Support 1: 1.5114	Weekly S1
Support 2: 1.5043	Weekly S2
Support 3: 1.4992	Bollinger band

USD/JPY struggles at preserving the up-trend



"A December rate increase has been factored in. The focus is on when would be the next and how fast they were going to raise rates subsequently, and they wouldn't be in a hurry."
- Sumitomo Mitsui Trust Bank (based on Market Watch)

Pair's Outlook

The Greenback managed to rebound from the up-trend on Wednesday and even tested the immediate resistance in face of the weekly PP. Even though the support remains relatively strong, risks of it getting breached persist, as the trading range between the up-trend and the weekly PP is narrowing. The USD/JPY was unable to pierce the given pivot point through most of the week and is likely to struggle at doing so today as well. However, there is still room for a 20-pip surge and technical indicators are bolstering this outcome.

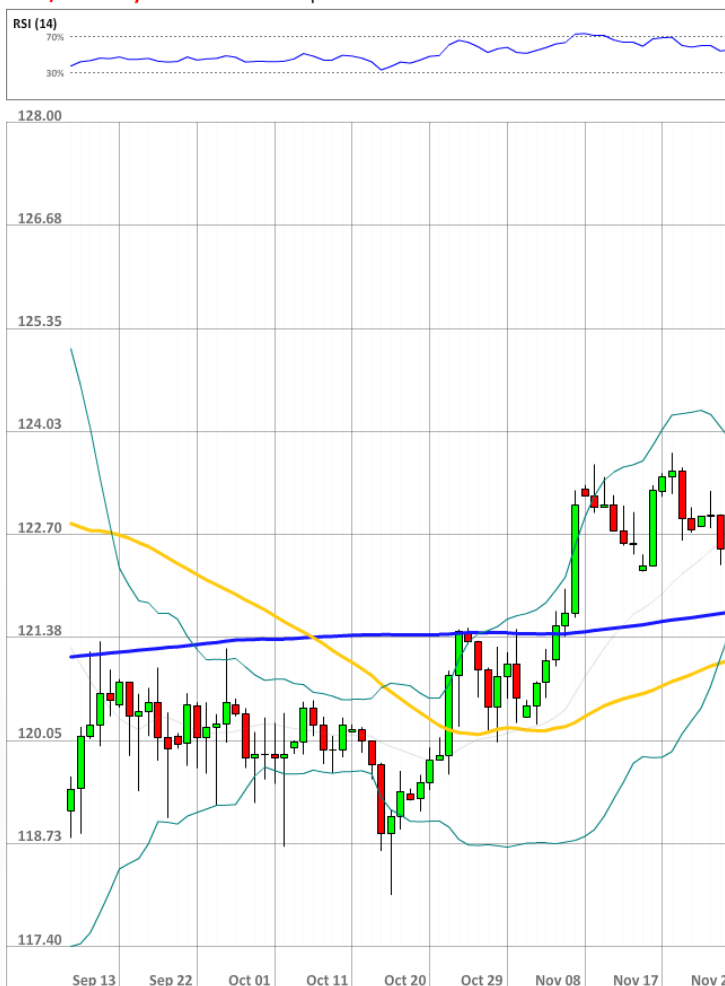
Traders' Sentiment

Bears keep gaining numbers, with nearly three quarters (74%) of all open positions being short. Meanwhile, the portion of orders to acquire the US currency remains unchanged at 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-48%	-46%	-40%	-46%
Orders (±50 pips)	18%	-2%	74%	19%
Orders (±100 pips)	12%	12%	2%	8%

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

USD/JPY Daily Chart Current price: 122.59



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.18			128
123.49		127	
122.91		125	125
122.64	123		123
122.07		122	
121.77	121		

	Level	Rationale
■ Resistance 3	124.18/44	Bollinger band; weekly R2
■ Resistance 2	123.49/60	Monthly R2; weekly R1
■ Resistance 1	122.91	Weekly PP
■ Support 1	122.64/48	Up-trend; 20-day SMA
■ Support 2	122.07/04	Weekly S1; monthly R1
■ Support 3	121.77	100-day SMA

Gold is stuck between July low and weekly PP



"The dollar index is within reach of the multi-year high of 100.39. A break of this level would put downside pressure on gold with a break of \$1,066 yielding initial \$1,045, which is the 2010 low."

- ScotiaMocatta (based on CNBC)

Pair's Outlook

More or less optimistic US statistics used to have a "reminder" effect for investors who switched back to Fed policy expectations. However, Wednesday's move downwards was again limited by July low at 1,070. The bullion is has been pressured by this important support for the second consecutive week. It makes us assume that the bears need more pronounced impetus to send the price towards fresh lows below 1,064 (Nov 18 low). Thursday and Friday are US data-free days, meaning volatility is highly likely to remain restrained.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, being that more than 72% of SWFX traders are holding long positions. However, risks are skewed to the downside as gold seems to be overbought.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	48%	42%	43%

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

XAU/USD Daily Chart Current price: 1073.67



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244			
1233			
1225			
1150	1148	1150	
1113	1105		
1091			
1080	1083		
1070			
1062			
1050			1062

	Level	Rationale
■ Resistance 3	1,113	Weekly R2
■ Resistance 2	1,091/1,100	Weekly R1; 20-day SMA; monthly S1
■ Resistance 1	1,080	Weekly PP
■ Support 1	1,070	Jul low
■ Support 2	1,062/59	Weekly S1; monthly S2
■ Support 3	1,050/44	Weekly S2; 2010 low; Bollinger band

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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