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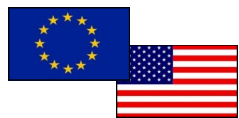
22/02/2016

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



Technical Analysis

EUR/USD stabilises ahead of 200-day SMA



“Despite the stabilization in risk appetite, there is a reluctance to really start shorting bonds ahead of the ECB. There is somewhat of a discrepancy between equity markets and bond markets, and I would put that to a large extent on what’s happening with the ECB.”
- Jan Von Gerich, Nordea Bank AB (based on Bloomberg)

Pair’s Outlook

EUR/USD undergoes a downside correction within a bullish channel. Our bias is therefore bearish until the rate reaches the 1.0970/60 area, probably in a week’s time. There, the lower bound of the pattern is reinforced by numerous studies, including the monthly R1 and 100-day SMA. The nearest significant support is at 1.1050, represented by the 200-day SMA. In the meantime, the upside is relatively free from strong resistances up to the monthly R3.

Traders’ Sentiment

The SWFX market participants are undecided with respect to the Euro. At the moment, 48% of them are long and 52% are short. There is also no visible difference between the amounts of buy and sell orders—49 and 51%, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-4%	-10%	-8%	-14%
Orders (±50 pips)	6%	-4%	-12%	2%
Orders (±100 pips)	-2%	-6%	-6%	2%

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

EUR/USD Daily Chart Current price: 1.1092



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1246			
1.1148			
1.1115			
1.1100			
1.1050			
1.0972			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.1246/29	Weekly R1; monthly R3
■ Resistance 2	1.1148	Weekly PP
■ Resistance 1	1.1115	Monthly R2
■ Support 1	1.1100	20-day SMA
■ Support 2	1.1050/46	Weekly S1; 200-day SMA
■ Support 3	1.0972/57	Weekly S2; up-trend; monthly R1; 55 and 100-day SMA

GBP/USD slumps on Brexit fears



"Political uncertainty generated by the UK referendum will weigh on GBP."

- Commonwealth Bank (based on Reuters)

Pair's Outlook

A lot better-than-anticipated UK Retail Sales figures on Friday helped the Cable to overcome the 1.44 mark. However, today the GBP/USD opened with a rather significant bearish gap, amid London's mayor stating he would support the Brexit. Meanwhile, technical indicator signals shifted from bullish to mixed, implying that a negative outcome is more probable by day's end. The weekly S1 at 1.4247 is providing immediate support, but is unlikely to hold the losses. As a result, we might see a large drop below the 1.42 major level if demand at the second target, namely the Bollinger band, is weak.

Traders' Sentiment

Today 64% of traders are long the Pound, compared to 61% on Friday. The share of purchase orders, however, slid from 63 to 59%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	22%	6%	16%
Orders (±50 pips)	26%	46%	10%	12%
Orders (±100 pips)	18%	26%	-6%	5%

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

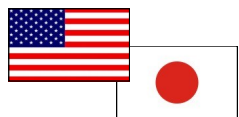
GBP/USD Daily Chart Current price: 1.4187



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5406	1.55		
1.5212			1.52
1.5018	1.51	1.51	
1.4824	1.49		
1.4631		1.48	
1.4437			1.47
1.4243			
1.4049			

	Level	Rationale
■ Resistance 3	1.4603/23	55-day SMA; Bollinger band
■ Resistance 2	1.4547	Weekly R1
■ Resistance 1	1.4380/1.4411	Monthly and weekly PPs; 20-day SMA
■ Support 1	1.4247	Weekly S1
■ Support 2	1.4181	Bollinger band
■ Support 3	1.4091	Weekly S2

USD/JPY oscillates around 112.50



“During some past periods of yen strength, the Japanese Ministry of Finance (MoF) has directed the BoJ to conduct currency intervention to offset yen strength by buying large sums of U.S. dollars.”
- Wells Fargo (based on FXStreet)

Pair's Outlook

Even despite higher inflation figures, the US Dollar was unable to edge higher against the Japanese Yen on Friday. Dollar bulls might push the pair higher today, but if not the weekly PP at 113.24, then the cluster around the 114 yen should stop the possible rally. Technical studies, on the other hand, suggest the USD/JPY is to suffer a third consecutive decline, with the nearest support located circa 111.70, namely the monthly S3 and the weekly S1. The Greenback was unable to stabilise that low for more than a year, and no event is expected to push the pair towards that area today.

Traders' Sentiment

There are 72% of traders with a positive outlook towards the Buck, while the share of sell orders dropped from 69 to 60%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	42%	-4%	10%
Orders (±50 pips)	0%	-14%	22%	4%
Orders (±100 pips)	-20%	-38%	18%	-2%

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

USD/JPY Daily Chart Current price: 112.90



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

Level	Rationale
Resistance 3 (115.81/116.03)	Weekly R2; 20-day SMA
Resistance 2 (113.88/114.18)	Monthly S2; weekly R1
Resistance 1 (113.24)	Weekly PP
Support 1 (111.78/61)	Monthly S3; weekly S1
Support 2 (110.67/37)	Weekly S2; Bollinger band
Support 3 (109.04)	Weekly S3

Gold looks for support



"People are willing to take risk again."
- Shaw and Partners (based on Bloomberg)

Pair's Outlook

Although gold confirmed a breakout by bouncing off of the new support at 1,191.50, the bullion does not seem to be in a hurry to advance further north. However, it seems that the price is forming a symmetrical triangle, and at the same time there is a strong support level at 1,210, which should be able to trigger a new wave of buying. On the other hand, a deeper decline will imply formation of a descending triangle, meaning the downside risks will substantially increase.

Traders' Sentiment

The share of short positions grows. While last week 68% of the SWFX traders were bears, today nearly three fourths of positions are to profit from gold's depreciation.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	-46%	-36%	-12%	-27%

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)	Buy	Buy	Sell
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

XAU/USD Daily Chart Current price: 1211.74



Level	Rationale
Resistance 3: 1,296	Weekly R3
Resistance 2: 1,271/63	Weekly R2; Bollinger band; Feb high
Resistance 1: 1,246	Weekly R1
Support 1: 1,219	Weekly PP
Support 2: 1,210	Monthly R3
Support 3: 1,198	Weekly S1

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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