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RESEARCH PRODUCTS

03/05/2016

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



Technical Analysis

EUR/USD surges past 1.15, stopped by W/M R1



"The rug has been pulled from the dollar, and the euro can go nowhere but up."
- Westpac Banking Corp. (based on Bloomberg)

Pair's Outlook

Weakness of the Dollar transferred to the new working week, as another piece of soft North American data pushed EUR/USD beyond 1.15. By violating multi-month resistances, including the October 2015 high, the pair was only capped by the weekly and monthly R1s placed around 1.1538. This is the initial supply for Tuesday, but the rally until the second bunch of resistances (weekly/monthly R2) at 1.1619/26 is not off the table. Now the cross is trading at its peak levels since August of the last year and weekly technical indicators suggest the uptrend is ready to continue.

Traders' Sentiment

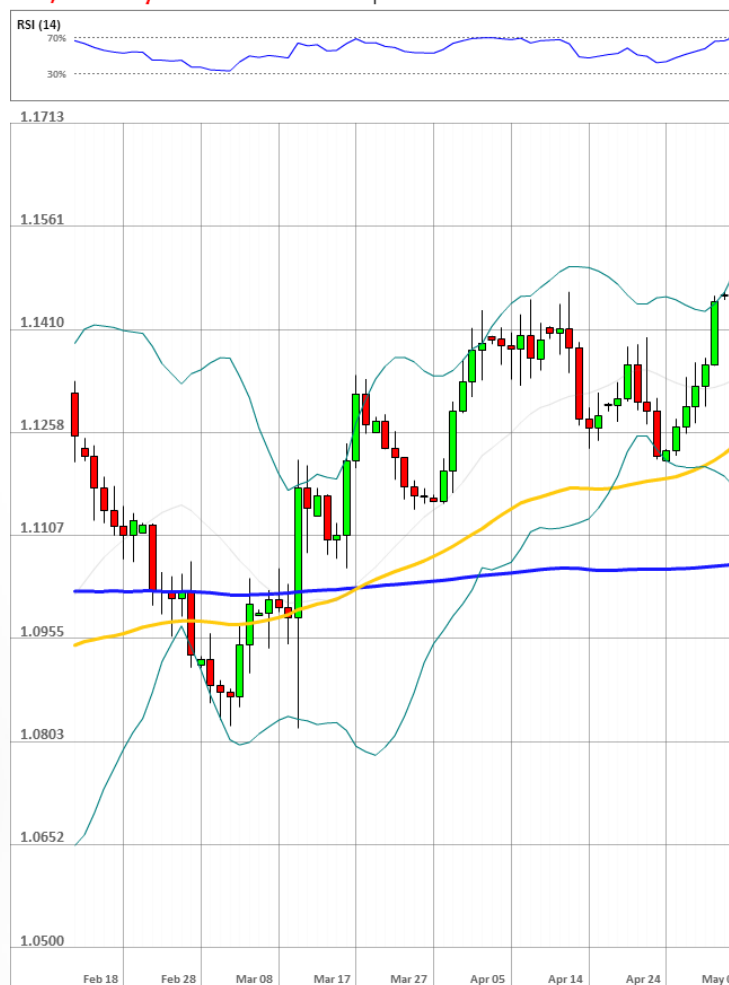
With a drop of three percentage points, the SWFX market share of the bulls tumbled as low as 37%. 50-pip pending orders rose to 52% in bullish favour, as 100-pip commands are now 52% short on EUR/USD.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-26%	-20%	-14%	-17%
Orders (±50 pips)	4%	0%	-22%	-4%
Orders (±100 pips)	-4%	10%	-20%	-1%

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

EUR/USD Daily Chart

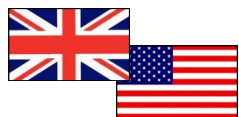
Current price 1.1558



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.1713			
1.1619			
1.1529			
1.1376			
1.1288			
1.1212	1.12	1.12	1.12
	1.1		
		1.08	1.09
	1.07		
		1.06	
			1.05

	Level	Rationale
R3	1.1713	August 2015 high
R2	1.1619/26	Weekly and monthly R2s
R1	1.1529/38	Bollinger band; Weekly and monthly R1s
S1	1.1376/56	Weekly and monthly PPs; 20-day SMA
S2	1.1288	Weekly and monthly S1s
S3	1.1212	55-day SMA

GBP/USD takes another shot at retaking 1.47



"From a technical point of view, and despite the rally extended, the upside is looking slightly exhausted, as in the 4 hours chart, the technical indicators lack clear directional strength, having turned modestly lower within positive territory."

- FXStreet

Pair's Outlook

On Monday the Sterling managed to prolong its bullish momentum and post rather solid gains against the US Dollar. The Cable's upside volatility was limited by the 1.47 major level yesterday, which could prevent the pair from edging higher today as well. The nearest resistance is still represented by the weekly R1 and the Bollinger band around 1.4740, while the weekly PP represents immediate support at 1.4563. According to technical indicators, the GBP/USD currency pair is to continue appreciating over the day, but poor UK data could cause the exchange rate to return towards the 1.46 mark.

Traders' Sentiment

Bears keep outnumbering the bulls by four percentage points. Meanwhile, the portion of orders to purchase the Pound increased from 44 to 51%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-4%	-4%	0%	3%
Orders (±50 pips)	8%	-56%	-2%	-5%
Orders (±100 pips)	2%	-12%	-10%	-4%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	Neutral	Buy	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
Aggregate	↗	→	↓

GBP/USD Daily Chart

Current price 1.4692

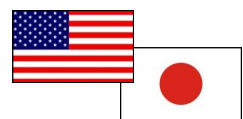


SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.4923			1.51
1.4830		1.49	
1.4722			1.47
1.4637	1.46		
1.4457		1.45	
1.4278	1.43		1.44
1.4098		1.42	
1.3918	1.4		
1.3738			

	Level	Rationale
R3	1.4923	Down-trend
R2	1.4830/72	Weekly R2; monthly R1; 200-day SMA
R1	1.4722/51	Weekly R1; Bollinger band
S1	1.4455/30	Weekly S1; monthly PP
S2	1.4398/65	20 and 100-day SMAs
S3	1.4295/68	Weekly S2; 55-day SMA

Tuesday, May 03, 2016
07:30 GMT

USD/JPY puts 106.00 to the test



"Dollar-yen looks like a lemming hurling itself off a cliff, and the yen bulls may end up feeling a bit like lemmings in due course. Recession, capital outflows and long speculative positions, yet still the yen rallies towards USD/JPY 100."
- Societe Generale (based on Business Recorder)

Pair's Outlook

Even though the Greenback managed to edge higher against the Yen yesterday, thus, confirming the bullish recovery, but gains accounted for only 20 pips. With such a small rally, risks of the USD/JPY currency pair sustaining another serious loss persist. As a result, the Buck could drop under the 106.00 major level, the lowest level in almost 20 months. The closest area to limit the losses rests around 105.70, represented by the Bollinger band, whereas the second target is the 105.20 mark, namely the 20-month low. Furthermore, a complete breach of the 106.00 level might spark the BoJ to intervene, ultimately causing investors to sell the Japanese currency.

Traders' Sentiment

Today 72% of traders hold long positions, unchanged since Monday. At the same time, the share of buy orders surged from 45 to 72%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	44%	44%	44%	45%
Orders (±50 pips)	24%	0%	28%	9%
Orders (±100 pips)	44%	-10%	40%	11%

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

USD/JPY Daily Chart

Current price 105.80



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
			124
		121	
	120		119
		116	
	115		115
		113	
	112		
	111.40		
	110.04		
	108.15		
	105.74		
	104.43		
	102.55		

	Level	Rationale
R3	111.40	55-day SMA
R2	110.04/50	Weekly and monthly R1s
R1	108.15/98	Weekly and monthly PPs; 20-day SMA
S1	105.74	Bollinger band
S2	104.43/104.20	Weekly and monthly S1s
S3	102.55/102.08	Weekly and monthly S2s

Gold at risk of losing steam as 1,300 mark fails



"I think gold can reach \$1,300-\$1,400 in the second quarter. Investors are following the yen-dollar movement and central bank decisions, and the ETF inflows are a very good sign."
- Wing Fung Financial Group (based on CNBC)

Pair's Outlook

The winning streak of gold futures tried to extend as far as 1,304 on Monday, but the bears regained momentum by the end of US trading and closed the spot below the vital 1,300 mark. The closest daily resistance is the upper Bollinger band again, placed at 1,295.73. Although the 2015 peak at 1,307.06 will remain the key target level for the bulls in the nearest future, there are growing risks the goal will not be accomplished. On top of that, the aggregate daily technical signal is currently mixed.

Traders' Sentiment

Bullish side of the SWFX market regained as many as ten percentage points between yesterday and today mornings. Owing to the bullion's failure to fix the gains above 1,300 resulted in closure of a number of bearish positions that unexpectedly took profit. Now the SWFX market is only 57% short on gold, down from 67% about 24 hours ago.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-14%	-34%	-20%	-24%

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

XAU/USD Daily Chart

Current price 1290.81



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1315			
1307			
1296			
1272			
1265			
1254			
1248			1250
1175		1232	1200
1125		1160	
1113			
1100			

	Level	Rationale
R3	1,315	Weekly R1
R2	1,307	2015 high
R1	1,296	Bollinger band
S1	1,272	Weekly PP
S2	1,265	Monthly PP
S3	1,254	20-day SMA

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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