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



# Technical Analysis

# EUR/USD at weekly high after ECB comments



*"There was a slight risk that President Draghi, having seen the euro weaken a lot since the last meeting, might back off the need to lower the deposit rate."*

- ING Groep NV (based on Bloomberg)

## Pair's Outlook

EUR/USD jumped above July low at 1.0808 on Thursday, following moderately hawkish comments from ECB Executive Board member Benoit Coeure. Additionally, daily trading volume surged to the highest level since Oct 23. Now we expect a bounce back off this currency pair as bears are preparing for EU GDP and US retail sales data later on Friday. Positive US numbers may push EUR/USD towards recent lows at 1.07, while encouraging Euro zone numbers should keep the pair uplifted above 1.08.

## Traders' Sentiment

SWFX bullish share rose marginally from 52% to 53% by Friday morning. Alongside, the percentage of long pending orders in 100-pip range from the spot price increased to 49%, up from 48% yesterday.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | 6%   | 4%        | 2%         | 3%          |
| Orders (±50 pips)  | 10%  | 22%       | -12%       | -4%         |
| Orders (±100 pips) | -2%  | -4%       | -10%       | -11%        |

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

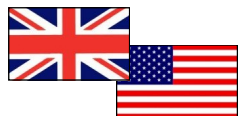
EUR/USD Daily Chart Current price: 1.0790



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q4 15     | Q1 16 | Q2 16 |
| 1.13                 |           |       |       |
| 1.11                 |           |       |       |
| 1.1084               |           |       |       |
| 1.12                 |           |       |       |
| 1.09                 |           |       |       |
| 1.0808               |           |       |       |
| 1.0768               |           |       |       |
| 1.07                 |           |       |       |
| 1.0611               |           |       |       |
| 1.06                 |           |       |       |
| 1.0552               |           |       |       |
| 1.05                 |           |       |       |
| 1.03                 |           |       |       |

|              | Level     | Rationale                           |
|--------------|-----------|-------------------------------------|
| Resistance 3 | 1.1084    | 200-day SMA                         |
| Resistance 2 | 1.0937/58 | Weekly R1; 20-day SMA               |
| Resistance 1 | 1.0808/31 | July and May lows; weekly PP        |
| Support 1    | 1.0768    | Monthly S1                          |
| Support 2    | 1.0611    | Weekly S1                           |
| Support 3    | 1.0552/19 | Bollinger band; monthly S1; Apr low |

## GBP/USD struggles to maintain trade above 1.52



*"It's just a bit of profit-taking, the one thing that's inevitable is for the dollar to rise."*

- Tempus Consulting (based on Business Recorder)

### ■ Pair's Outlook

In spite of the Cable dropping under the immediate support cluster in the early hours yesterday, the pair still ended the day on the green side, adding 23 pips. This time the Sterling has little chance of appreciating against the US Dollar for the fifth day in a row. The cluster around 1.5185 remains the nearest support, but if the US fundamentals fall in line with the forecasts—the Pound then risks falling to 1.51 or even lower. However, despite a number of signs indicating a decline today, a disappointment in fundamentals might contribute to the GBP/USD's recovery.

### ■ Traders' Sentiment

Bearish traders' sentiment returned to its Wednesday's level of 60%, while the number of sell commands edged higher from 53 to 59%.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | -20% | -22%      | 6%         | -6%         |
| Orders (±50 pips)  | -16% | -16%      | 12%        | -1%         |
| Orders (±100 pips) | -18% | -6%       | 6%         | 2%          |

| Indicator/Period     | Day     | Week    | Month   |
|----------------------|---------|---------|---------|
| MACD (12; 26; 9)     | Sell    | Sell    | Sell    |
| RSI (14)             | Neutral | Neutral | Neutral |
| Stochastic (5; 3; 3) | Neutral | Neutral | Neutral |
| ADX (14)             | Neutral | Neutral | Sell    |
| CCI (14)             | Neutral | Buy     | Neutral |
| 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: 1.5209



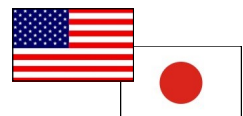
| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q4 15     | Q1 16 | Q2 16 |
|                      |           |       | 1.59  |
|                      |           | 1.58  |       |
|                      | 1.56      |       |       |
| 1.5432               |           |       |       |
| 1.5388               | 1.54      | 1.54  | 1.54  |
| 1.5300               |           |       |       |
| 1.5188               |           |       |       |
|                      | 1.51      | 1.51  | 1.51  |
| 1.5059               |           |       |       |
| 1.4945               |           |       |       |

|                | Level     | Rationale                                      |
|----------------|-----------|--|
| ■ Resistance 3 | 1.5432    | 100-day SMA                                    |
| ■ Resistance 2 | 1.5388    | Down-trend                                     |
| ■ Resistance 1 | 1.5300/49 | 20, 55 and 200-day SMAs; monthly PP; weekly R1 |
| ■ Support 1    | 1.5188/85 | Weekly PP; monthly S1; 23.60% Fibo             |
| ■ Support 2    | 1.5059    | Bollinger band                                 |
| ■ Support 3    | 1.4945    | Monthly S2                                     |

# USD/JPY awaits US data before leaving 122.60

*"Dollar/yen surging to 123.60 looked overdone and we are now seeing a consolidation. On the other hand, the dollar cannot drift too low due to the U.S.-Japanese yield differential theme. I don't see the currency falling much below 122.00 yen."*

- FPG Securities (based on Reuters)



## Pair's Outlook

The USD/JPY extended its correction for another day, despite distinctly bullish technical studies, which mostly proved to be unreliable this week. Nonetheless, the Greenback might still end the correction, rebounding towards the immediate resistance cluster, namely the monthly R1 and the Bollinger band around 123.60. At the same time, a rather large group of potential supports lie just beneath the spot price, ranging all the way to the 121.00 major level. Any of these levels could limit the losses in case those occur.

## Traders' Sentiment

Traders retain a negative outlook, as exactly three quarters of them are short the Buck. The share of purchase orders, however, added four percentage points, now taking up 74% of the market.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | -50% | -44%      | -46%       | -42%        |
| Orders (±50 pips)  | 42%  | 22%       | 10%        | 6%          |
| Orders (±100 pips) | 48%  | 40%       | 10%        | 15%         |

| Indicator/Period     | Day     | Week    | Month   |
|----------------------|---------|---------|---------|
| MACD (12; 26; 9)     | Buy     | Sell    | Sell    |
| RSI (14)             | Neutral | Neutral | Neutral |
| Stochastic (5; 3; 3) | Neutral | Sell    | Neutral |
| ADX (14)             | Buy     | 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: 122.64



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q4 15     | Q1 16 | Q2 16 |
|                      |           |       | 128   |
|                      |           | 127   |       |
| 125.21               |           | 125   | 125   |
| 124.14               | 125       |       |       |
| 123.49               | 123       |       | 123   |
| 122.20               |           | 122   |       |
| 121.42               | 121       |       |       |
| 120.52               |           |       |       |

|              | Level         | Rationale                          |
|--------------|---------------|------------------------------------|
| Resistance 3 | 125.21/48     | Weekly R2; monthly R3              |
| Resistance 2 | 124.14        | Weekly R1                          |
| Resistance 1 | 123.49/68     | Bollinger band; monthly R2         |
| Support 1    | 122.20/121.72 | Weekly PP; monthly R1; 100-day SMA |
| Support 2    | 121.42/121.13 | 20 and 200-day SMAs; weekly S1     |
| Support 3    | 120.52        | 55-day SMA                         |

## Gold to develop in the direction of 1,070



*"While we find physical demand for the PGMs [Platinum-group metals] from industrial sources to be broadly steady, investors are retreating and we see no early signs of further production restraint."*  
- HSBC (based on CNBC)

### ■ Pair's Outlook

Yesterday the bullion made an attempt to slump towards July low at 1,070. The price decreased as low as 1,074 by the end of trading, following hawkish comments from FOMC members Lacker, Bullard and Dudley. Upcoming US retail data may expose this year's current low, which is strengthened by the weekly S1 at 1,068. Rising trading volume means volatility seems to be increasing as we are nearing the most important day of this week in terms of fundamentals. Meanwhile, daily indicators are supporting the downward case for gold.

### ■ Traders' Sentiment

Market sentiment with respect to gold remains strong positive for the moment, being that 71% of SWFX traders are holding long positions.

| Net Sentiment  | Last | 1 day ago | 5 days ago | 10-day avg. |
|----------------|------|-----------|------------|-------------|
| Open Positions | 42%  | 46%       | 10%        | 15%         |

| Indicator/Period     | Day     | Week    | Month   |
|----------------------|---------|---------|---------|
| MACD (12; 26; 9)     | Sell    | Buy     | Buy     |
| RSI (14)             | Buy     | Neutral | Neutral |
| Stochastic (5; 3; 3) | Buy     | 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: 1081.91



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q4 15     | Q1 16 | Q2 16 |
|                      |           | 1244  |       |
|                      | 1233      |       | 1225  |
|                      | 1150      | 1148  | 1150  |
|                      | 1117      |       |       |
|                      | 1105      | 1105  |       |
|                      | 1100      |       |       |
|                      |           | 1083  |       |
|                      |           |       | 1062  |
|                      | 1070      |       |       |
|                      | 1059      |       |       |
|                      | 1049      |       |       |

|                | Level    | Rationale                 |
|----------------|----------|---------------------------|
| ■ Resistance 3 | 1,117    | 20-day SMA                |
| ■ Resistance 2 | 1,105    | Weekly PP                 |
| ■ Resistance 1 | 1,100    | Monthly S1                |
| ■ Support 1    | 1,070/68 | Jul low; weekly S1        |
| ■ Support 2    | 1,059    | Monthly S2                |
| ■ Support 3    | 1,049/48 | Bollinger band; 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



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