



**DUKASCOPY**  
RESEARCH PRODUCTS

12/02/2016

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



# Technical Analysis

## EUR/USD risks declining from up-trend



*"All the forecasts were very, very aggressively tilted toward more dollar strength, and it's not clear at all that we're getting that."*

- OppenheimerFunds Inc. (based on Bloomberg)

### Pair's Outlook

EUR/USD is now placed near the upper edge of the bullish channel pattern in the daily chart. This resistance, at 1.1370, is accompanied by the weekly R1. From here a slide is possible over the next 24 hours, as the bears are watching the monthly R3 at 1.1246 as immediate target, followed by the monthly R2 at 1.1115. Alongside, a spike above the three-month uptrend will expose the Sep high and weekly R2 at 1.1460 and 1.1504, respectively. Signals among technicals remain mixed, as daily ones are bullish and weekly studies are mostly on the "sell" side.

### Traders' Sentiment

The share of bulls went up to the highest level in five working days of 42%. Alongside, commands in both shorter and longer-ranges are equally divided between the long and short SWFX traders.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-16%	-22%	-4%	-17%
Orders (±50 pips)	-4%	16%	18%	7%
Orders (±100 pips)	0%	12%	26%	7%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	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	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

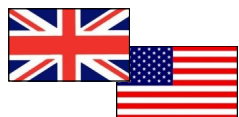
EUR/USD Daily Chart Current price: 1.1306



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1504			
1.1439			
1.1330			
1.1246			
1.1115			
1.1079			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.1504	Weekly R2
■ Resistance 2	1.1439/60	Bollinger band; Sep 2015 high
■ Resistance 1	1.1330/70	Weekly R1; uptrend
■ Support 1	1.1246	Monthly R3
■ Support 2	1.1115	Monthly R2
■ Support 3	1.1079/54	Weekly PP; 200/20-day SMAs

## GBP/USD endeavours to climb higher



*"There is no change to our neutral outlook for now. We continue to expect GBP to trade in a broad range, likely between 1.4350 and 1.4650 in the coming days."*

- UOB (based on FXStreet)

### Pair's Outlook

The Cable took another shot at the monthly PP yesterday and, as a result, retreated from intraday losses, closing at 1.4480. Although the weekly pivot point is providing immediate support for the pair, we might still see the cluster just below the 1.44 level get retested, as weekly technical indicators retain their bearish signals. At the same time, if US data disappoints today, the GBP/USD currency pair is likely to end the week higher, with Thursday's losses completely erased. The nearest resistance is formed by a group of technical levels around 1.4670, thus, remaining out of reach.

### Traders' Sentiment

Today 56% of traders retain a positive outlook towards the Pound. Meanwhile, the share of purchase orders inched up from 45 to 47%.

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

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

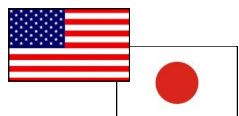
GBP/USD Daily Chart Current price: 1.4467



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.55			
1.5212			1.52
1.5025	1.51	1.51	
1.4906	1.49		
1.4824		1.48	
1.4643			1.47
1.4467			
1.4380			
1.4266			
1.4049			

	Level	Rationale
Resistance 3	1.5025	Down-trend
Resistance 2	1.4906/44	Weekly R2; 100-day SMA
Resistance 1	1.4643/1.4705	Bollinger band; weekly and monthly R1s; 55-day SMA
Support 1	1.4467	Weekly PP
Support 2	1.4380/66	Monthly PP; 20-day SMA; up-trend
Support 3	1.4266	Weekly S1

# USD/JPY falls on Fed rate hike delay speculation



*"I think 110 sounds terrible, for the Japanese economy. But it's a tough job for them [Japanese authorities], to keep levels in dollar/yen."*  
- BBH (based on CNBC)

## Pair's Outlook

The USD/JPY partially recovered from its intraday low of 111.00 on Thursday, as Yellen's remarks dispersed some speculation concerning the Fed's monetary policy. However, the pair still closed with a 90-pip loss and is showing little sign of a possible rebound today. The rally could occur, pushing the pair towards the weekly S2 and the down-trend around 113.05, with a chance to even put the monthly S2 at 113.88 to the test. The more probable outcome remains a decline beyond the 111.78 level, namely the monthly S3.

## Traders' Sentiment

Bulls are barely outnumbering the bears, as 52% of all open positions are long, unchanged since yesterday. The number of purchase orders, on the other hand, surged from 50 to 62%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	4%	-36%	-33%
Orders (±50 pips)	0%	24%	-36%	-2%
Orders (±100 pips)	24%	0%	4%	2%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Neutral	Neutral
ADX (14)	Neutral	Sell	Buy
CCI (14)	Buy	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: 112.36



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125		
123		123	
122			122
114.91			
113.88			
113.00			
112.31			
109.71			
100.78			

	Level	Rationale
Resistance 3	114.91	Weekly S1
Resistance 2	113.88	Monthly S2
Resistance 1	113.00/10	Weekly S2; down-trend
Support 1	112.31/111.78	Bollinger band; monthly S3
Support 2	109.71	Weekly S3
Support 3	100.78	2014 low

# Gold soars to one-year high, hits 1,263



*"People are fearful about currencies, so they've moving to the one currency they are confident in and that's gold."  
- an independent investment manager (based on CNBC)*

## Pair's Outlook

Gold appreciated the most since December 2014 on Thursday, by becoming \$60 more expensive in just 24 hours of trading. Only the third resistance managed to contain the rally, while monthly R3/monthly R2 (1,209/13) and May 2015 high (1,232) were both easily penetrated. Trading volume is the greatest since March 2011, while Bollinger bands indicate volatility is ultra-high for the moment. Daily RSI is assuming gold is overbought, thus making a correction back below May high more likely. On the side of bulls, a spike beyond weekly R3 (1,252) should expose the 2015 high at 1,307.

## Traders' Sentiment

The bullish-bearish distribution has stalled over the last four days at 43-57%, thus maintaining the biggest advantage for the bears in more than a year.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-14%	6%	-1%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Sell	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Buy	Buy	Sell
CCI (14)	Sell	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: 1239.27



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1307			
1300			
1249			1250
1232			
1213	1206	1200	
1193			
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
Resistance 3 (1,307)	2015 high
Resistance 2 (1,300)	Major level
Resistance 1 (1,249/52)	Bollinger band; Weekly R3
Support 1 (1,232)	May 2015 high
Support 2 (1,213/09)	Monthly R3; weekly R2; Bollinger band
Support 3 (1,193/91)	Oct 2015 high; weekly 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



**Newest releases and archive:**

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

**Additional information:**

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

**Social networks:**



**Disclaimer**

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.