



**DUKASCOPY**  
RESEARCH PRODUCTS

10/11/2015

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



# Technical Analysis

# EUR/USD's gains capped by monthly S1 at 1.0768



*"The dollar is pausing from its rally as markets may have raced ahead on Fed rate hike expectations for December."*  
 - Ueda Harlow Ltd. (based on Bloomberg)



## Pair's Outlook

On Monday the most traded FX cross has tried to recover Friday losses, but it failed to come back at least above 1.0750. In addition to that, important bearish support was provided by the monthly S1 at 1.0768. We do not expect a rally to prolong any further in the medium term, while stronger US Dollar will weigh on this currency pair. In the near term bearish pressure is also likely to remain limited, owing to lack of fundamental drivers on Tuesday. Bears are focused on Apr low at 1.0519, followed by March low at 1.0461.

## Traders' Sentiment

On Tuesday bulls and bears are holding the equal number of open positions in the SWFX market. Pending orders in 100-pip range, however, are set to sell the Euro in 66% of all cases.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	0%	4%	-2%	2%
Orders (±50 pips)	-28%	-10%	-26%	-11%
Orders (±100 pips)	-32%	-12%	-22%	-12%

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

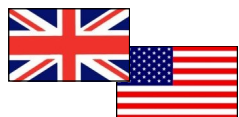
EUR/USD Daily Chart Current price: 1.0741



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09			
1.07			1.07
1.06			
1.05			
1.03			

	Level	Rationale
Resistance 3	1.0958	Weekly R1
Resistance 2	1.0808/31	July and May lows; weekly PP
Resistance 1	1.0768	Monthly S1
Support 1	1.0611	Weekly S1
Support 2	1.0548/19	Bollinger band; monthly S1; Apr low
Support 3	1.0485	Weekly S2

# GBP/USD to take another step towards down-trend



*"We think USD gains have further to run, but with the Fed also sensitive to headwinds created by currency strength, we think gains are likely to be limited in scope."*

- BNP Paribas (based on Business Recorder)

## Pair's Outlook

Yesterday the Cable managed to return above the 1.51 level, thus, stabilise above the September low. Although the British currency still has a lot of ground to cover between the spot price and the down-trend being retested, there are currently two clusters (around 1.5195 and 1.5340) that might prevent that from happening. The second group of levels is much stronger and is likely to be reached next week, when it will coincide with the resistance trend-line. Meanwhile, the GBP/USD is aiming for the 23.60% Fibo target, which is expected to be reached within the next two days.

## Traders' Sentiment

The shares of both the sell orders and short positions increased, to 60% and 55% of the market, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-8%	4%	2%
Orders (±50 pips)	-12%	2%	-20%	6%
Orders (±100 pips)	-20%	-2%	6%	10%

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

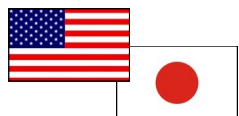
GBP/USD Daily Chart Current price: 1.5106



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			1.59
		1.58	
	1.56		
1.5408	1.54	1.54	1.54
1.5323			
1.5185			
1.5083	1.51	1.51	1.51
1.4945			
1.4879			

	Level	Rationale
Resistance 3	1.5408/47	Down-trend; 100-day SMA
Resistance 2	1.5323/49	20, 55 and 200-day SMAs; monthly PP; weekly R1
Resistance 1	1.5185/88	23.60% Fibo; monthly S1; weekly PP
Support 1	1.5083	Bollinger band
Support 2	1.4945	Monthly S2
Support 3	1.4879	Weekly S1

# USD/JPY remains at multi-year highs



*"The U.S. is out in front on its own, and everyone else is heading the other way. In that case, positioning becomes very key, if the interest-rate story is going to be center-stage."*

- State Street Global Markets (based on Reuters)

## Pair's Outlook

The Buck kept hovering over the 123.00 major level, as the Bollinger band and the monthly R2 prevented the USD/JPY from leaving the tight range. However, the two levels are now forming a single resistance around 123.45, hence, risks of edging lower are higher. Nonetheless, technical indicators retain their bullish signals, suggesting the pair could overcome the immediate resistance. At the same time, the nearest support lies only around the 122.00 mark, but an event to weigh the Greenback down that much is absent today; therefore, the base case scenario is a fall to 122.80.

## Traders' Sentiment

There are now 73% of traders being short the US Dollar, whereas 58% of all commands are to sell it (previously 59%).

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-42%	-42%	-33%
Orders (±50 pips)	-24%	-34%	-18%	9%
Orders (±100 pips)	-16%	-18%	-2%	15%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Buy	Neutral	Buy
CCI (14)	Sell	Neutral	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: 123.21



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
125.21		125	125
124.14	125		
123.39	123		123
122.20		122	
121.17	121		
120.42			

	Level	Rationale
Resistance 3	125.21/48	Weekly R2; monthly R3
Resistance 2	124.14	Weekly R1
Resistance 1	123.39/49	Bollinger band; monthly R2
Support 1	122.20/121.76	Weekly PP; monthly R1; 100-day SMA
Support 2	121.17/120.87	20 and 200-day SMAs; weekly S1
Support 3	120.42	55-day SMA

## Gold rose for first time in nine days



*"Gold will stay below \$1,100 as the interest rate hike becomes more and more imminent."*  
- Wing Fung Financial Group (based on CNBC)

### ■ Pair's Outlook

Gold spent Monday trading session by attempting to revive after Friday's slide to 1,090. However, price gains were extremely limited due to pressure created by Dollar bulls. On Tuesday we expect changes to remain largely muted amid quiet fundamental data calendar. In the medium term the bearish pressure is highly likely to resume, especially as we are going to approach the Fed's December meeting. Bears are targeting the Jul low at 1,070 and monthly S2 at 1,059 afterwards. For the bearish outlook to be eroded, bulls should push the price back above the 1,105 mark.

### ■ Traders' Sentiment

Following a slight rebound of prices on Monday, the total percentage of bullish positions decreased from 57% to 56% in the SWFX market. However, this level falls just one percentage point short of the highest reading in the past seven weeks.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	14%	-6%	6%

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

XAU/USD Daily Chart Current price: 1092.43



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
		1244	
	1233		1225
	1150	1148	1150
	1125		
	1105	1105	
	1100		
		1083	
	1070		1062
	1059		
	1048		

	Level	Rationale
■ Resistance 3	1,125/28	38.2% Fibo; weekly R1; 20-day SMA
■ Resistance 2	1,105/10	Weekly PP; 23.6% Fibo
■ Resistance 1	1,100	Monthly S1
■ Support 1	1,070/64	Bollinger band; Jul low; weekly S1
■ Support 2	1,059	Monthly S2
■ Support 3	1,048	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



#### 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.