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



Technical Analysis

EUR/USD held gains despite hawkish FOMC



"I don't think there's any fundamental shift here, just a bit of profit-taking after the minutes, and I don't see any change to the dollar's trajectory."

- Barclays (based on Reuters)

Pair's Outlook

EUR/USD gained value on Wednesday, despite hawkish FOMC meeting minutes mentioning a potential rate hike in December. A rally is being extended on Thursday, with the pair trading above 1.07. Any bullish outlook can become the main scenario only in case EUR/USD surges past July low at 1.0808. Our medium term expectations remain fairly pessimistic with respect to the single European currency. Consolidation below 1.06 (weekly S2) is required, in order to completely refocus on April low at 1.0519.

Traders' Sentiment

Bullish share contracted from 56% to 54% in the SWFX market by Thursday morning. Meanwhile, pending orders to buy the Euro in 100-pip range from the spot price surged above 50% (to 52%) for the first time in more than two weeks.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	12%	4%	6%
Orders (±50 pips)	10%	-16%	22%	-7%
Orders (±100 pips)	4%	-20%	-4%	-14%

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

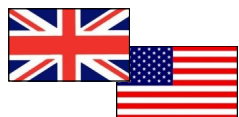
EUR/USD Daily Chart Current price: 1.0671



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11		1.11	
1.09			
1.0808			
1.0758			
1.0686		1.07	1.07
1.06			
1.0602			
1.0566		1.05	
1.0461			
			1.03

	Level	Rationale
■ Resistance 3	1.0808/19	July and May lows
■ Resistance 2	1.0758/68	Weekly PP; monthly S1
■ Resistance 1	1.0686	Weekly S1
■ Support 1	1.0602	Weekly S2
■ Support 2	1.0566/19	Bollinger band; monthly S2; weekly S3; Apr low
■ Support 3	1.0461	Mar low

GBP/USD trades in murky waters



"The [US] dollar strength continued since earlier this month following the upbeat jobs data, but investors have found a lack of fresh trading cues to prompt them to buy further."

- Bank of Tokyo-Mitsubishi (based on Market Watch)

Pair's Outlook

After having tested the immediate support cluster, the Sterling managed to preserve the bullish momentum yesterday, but failed at reaching the closest resistance. Nevertheless, the GBP/USD has already almost touched the 1.53 major level, ignoring the first stop in face of the 20-day SMA. The current rally is taking place mainly due to a USD sell-off, as a possibility of the Fed delaying the interest rate hike this year remains. The Cable risks retesting the 1.5185 cluster today if the fundamentals trigger a supply and negate current gains; else, we might see the 55-day SMA crossed.

Traders' Sentiment

Once again 60% of traders are holding short positions (previously 61%), while the number of sell orders increased from 53 to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-20%	-22%	-22%	-15%
Orders (±50 pips)	16%	-20%	-16%	-13%
Orders (±100 pips)	-16%	-6%	-6%	-13%

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)	Sell	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

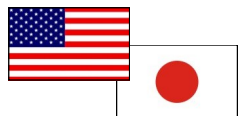
GBP/USD Daily Chart Current price: 1.5278



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5786		1.58	
1.5673			
1.5559		1.56	
1.5446			
1.5401	1.54	1.54	1.54
1.5332			
1.5308			
1.5262			
1.5185			
1.5218	1.51	1.51	1.51
1.5105			
1.5096			
1.5057			
1.4991			

	Level	Rationale
■ Resistance 3	1.5401/15	Weekly R2; 100-day SMA
■ Resistance 2	1.5308/64	55 and 200-day SMAs; monthly PP; down-trend
■ Resistance 1	1.5262	20-day SMA
■ Support 1	1.5185/79	Monthly S1; 23.60% Fibo; weekly PP
■ Support 2	1.5096	Weekly S1
■ Support 3	1.5057	Bollinger band

USD/JPY weakens after BoJ leaves policy unchanged



"If we are right, the Bank will probably respond by stepping up the pace of easing. The end-January meeting is the most likely venue to announce this."

- Capital Economics (based on WBP Online)

Pair's Outlook

The USD/JPY appreciated only 18 pips on Wednesday, piercing the nearest resistance, which is now forming a support cluster along with the weekly R1. However, the US Dollar got oversold today, leading the exchange rate close to the 123.00 major level, partially triggered by the BoJ's decision to leave stimulus unchanged. The given pair is now under substantial pressure, which could lead to a decline today. The immediate demand area might still limit the losses, while technical indicators are no longer giving bullish signals, suggesting a drop of the USD price is likely.

Traders' Sentiment

A total of 70% of all open positions are short today, compared to 75% yesterday. The share of buy orders edged up from 47 to 51%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-40%	-50%	-44%	-46%
Orders (±50 pips)	74%	12%	22%	18%
Orders (±100 pips)	2%	-6%	40%	11%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Sell	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Neutral	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: 123.29



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
125.48			128
124.46		127	
124.03		125	125
123.49	123		123
122.87		122	
122.14	121		

Level	Rationale
Resistance 3: 125.48	Monthly R3
Resistance 2: 124.46	Weekly R3
Resistance 1: 124.03/21	Weekly R2; Bollinger band
Support 1: 123.49/30	Monthly R2; Weekly R1
Support 2: 122.87	Weekly PP
Support 3: 122.14/121.71	Weekly S1 and S2, monthly R1; up-trend; 100-day SMA

Gold rallies above 1,075 post-Fed



"Certainly \$1,000 will be tested but we're not necessarily thinking that it's going to collapse."

- BMI Research, a unit of Fitch Group (based on Bloomberg)

Pair's Outlook

Gold was fully unchanged in value yesterday, with both bulls and bears failing to establish a lead after minutes of the latest FOMC meeting. Today we see the Dollar weakening and this situation is benefiting the precious metal. Still, bulls are far away from putting gold on a stable path of recovery. Only a climb above 1,100 is going to refocus attention back on the northern side. Short traders, however, are getting ready to push XAU/USD below the July low at 1,070 and we expect this happening in the nearest future. Success here would allow for losses down to 2010 low at 1,044.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, being that 71% of SWFX traders are holding long positions, down from 72% yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	42%	44%	46%	31%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	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: 1075.51



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1105	1105		
1083		1083	
1073			1062
1062			
1051			

	Level	Rationale
■ Resistance 3	1,100/03	Monthly S1; 20-day SMA
■ Resistance 2	1,094	Weekly R1
■ Resistance 1	1,084	Weekly PP
■ Support 1	1,073/70	Weekly S1; Jul low
■ Support 2	1,062/59	Weekly and monthly S2
■ Support 3	1,051	Weekly S3

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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