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



Technical Analysis

Monday, March 28, 2016
07:30 GMT

EUR/USD: Friday's range bound outlook unchanged



"Fed officials generally looked to share views that they need to maintain a rate hike path given a U.S. recovery."
- Samsung Futures (based on Reuters)

Pair's Outlook

Trading volume on Friday dropped to even lower levels than during the pre-Christmas season, but it failed to raise volatility of the EUR/USD cross. It is broadly flat between 1.1160 and 1.1180, meaning the short-term forecast has not changed very much over the weekend. We see subdued trading activity on Monday as well, due to Bank holidays in many countries. The key primary support is the 38.2% Fibonacci retracement of the earlier March rally at 1.1145 and the 20-day SMA at 1.1141. A fall below here is unlikely, as the weekly S1 is offering another demand above 1.11.

Traders' Sentiment

Over the weekend we have seen no huge swings from any side to another, as SWFX short traders are holding a 10 pp majority over their long counterparts.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-10%	-12%	-18%	-14%
Orders (±50 pips)	10%	10%	4%	8%
Orders (±100 pips)	4%	6%	4%	6%

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

EUR/USD Daily Chart

Current price 1.1165

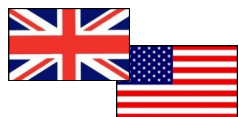


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1302			
1.1250			
1.1197			
1.1145			
1.1109			
1.1056			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
		1.01	1.02

	Level	Rationale
R3	1.1302	Downtrend
R2	1.1250	Weekly R1
R1	1.1197/1.1227	Weekly PP; 23.6% Fibo; monthly R1
S1	1.1145/41	38.2% Fibo; 20-day SMA
S2	1.1109/1.1084	Weekly S1; 50% Fibo
S3	1.1056/37	Weekly S2; 55/200-day SMAs

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GBP/USD sets eye on 1.42



"We're now more conscious that there's strength in the U.S. economy. There were some views that the U.S. won't be able to raise rates on economic concern, so the weakening dollar should take a break."

- Okasan Securities Co. (based on Bloomberg)

Pair's Outlook

The British Pound remained almost completely unchanged against the US Dollar on Friday, with the monthly PP limiting the losses at 1.4141. However, due to a bearish gap today, trade opened below this mark. Consequently, the monthly PP is now providing immediate resistance, while the second target is located around 1.4250, represented by the weekly PP, the 20 and the 55-day SMAs. Meanwhile, the weekly S1 and the Bollinger band form a support cluster around 1.3977, as a possibility of a bearish development exists, amid technical studies in the medium and longer timeframes remaining bearish.

Traders' Sentiment

Market sentiment remains bullish at 63%, compared to 62% on Friday. At the same time, the number of orders to acquire the British currency increased from 58 to 59%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	26%	24%	2%	21%
Orders (±50 pips)	56%	42%	-42%	10%
Orders (±100 pips)	18%	16%	-14%	7%

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

GBP/USD Daily Chart

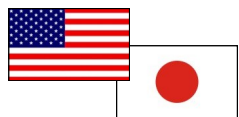
Current price 1.4138



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
1.55			
			1.52
1.51	1.51		
1.49			
		1.48	
			1.47
1.4392			
1.4225			
1.4141			
1.3978			
1.3809			
1.3667			

	Level	Rationale
R3	1.4392/1.4486	Weekly and monthly R1s; Bollinger band
R2	1.4225/78	Weekly PP; 20 and 55-day SMAs
R1	1.4141	Monthly PP
S1	1.3978/77	Weekly S1; Bollinger band
S2	1.3809	Weekly S2
S3	1.3667/14	Down-trend; monthly S1

USD/JPY on the verge of breaking the channel



"I find it hard to believe that Japanese players have been actively selling the yen and taking on foreign exchange risk after the (BOJ's) launch of negative interest rates."

- Shinji Kureda, Sumitomo Mitsui Banking Corporation (based on CNBC)

Pair's Outlook

The USD/JPY currency pair took another step closer towards the current bearish channel's resistance line, but with the bullish momentum limited, amid the 20-day SMA somewhat providing resistance. The pair extends the up-leg after piercing the 20-day SMA, but with supply, represented by the channel's upper border, stopping the rally. In case the pair manages to break out from the pattern, the next target to limit the gains would then be the weekly R1 at 113.85. Fundamental data, on the other hand, could still cause the pair to drop back under the 113.00, with the immediate support in face of the 20-day SMA failing to hold the losses.

Traders' Sentiment

Almost three quarters (74%) of all open positions are currently long, whereas the share of purchase orders edged up from 57 to 66%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	48%	46%	40%	46%
Orders (±50 pips)	20%	-54%	22%	-3%
Orders (±100 pips)	32%	14%	-30%	-7%

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

USD/JPY Daily Chart

Current price 113.58



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

	Level	Rationale
■ R3	114.48/63	Bollinger band; weekly R2
■ R2	113.85	Weekly R1
■ R1	113.40	Down-trend
■ S1	112.99/53	20-day SMA; weekly PP
■ S2	111.75/49	Weekly S1; Bollinger band
■ S3	110.70/43	Down-trend; weekly S2

Gold in limbo after commodity markets reopen



"While we have stated that Fed tightening may not be as negative for gold as in previous tightening cycles, an April rate rise would likely knock gold lower near term."
- HSBC (based on CNBC)

Pair's Outlook

The bullion is continuously set to hover in limbo after the commodity market returned back to trading on Monday morning, meaning the outlook is largely the same as we had indicated on Friday. This is because the closest resistance lies at 1,227 (23.6% retracement of Dec-Mar uptrend) and the nearest support is the 1,205 mark (monthly PP), while the present spot is placed somewhere in between at 1,215.50. This week's technical indicators are giving a "strong buy" signal, meaning we can foresee buoyant gold near the aforementioned support and also the weekly S1/lower Bollinger band at 1,199.

Traders' Sentiment

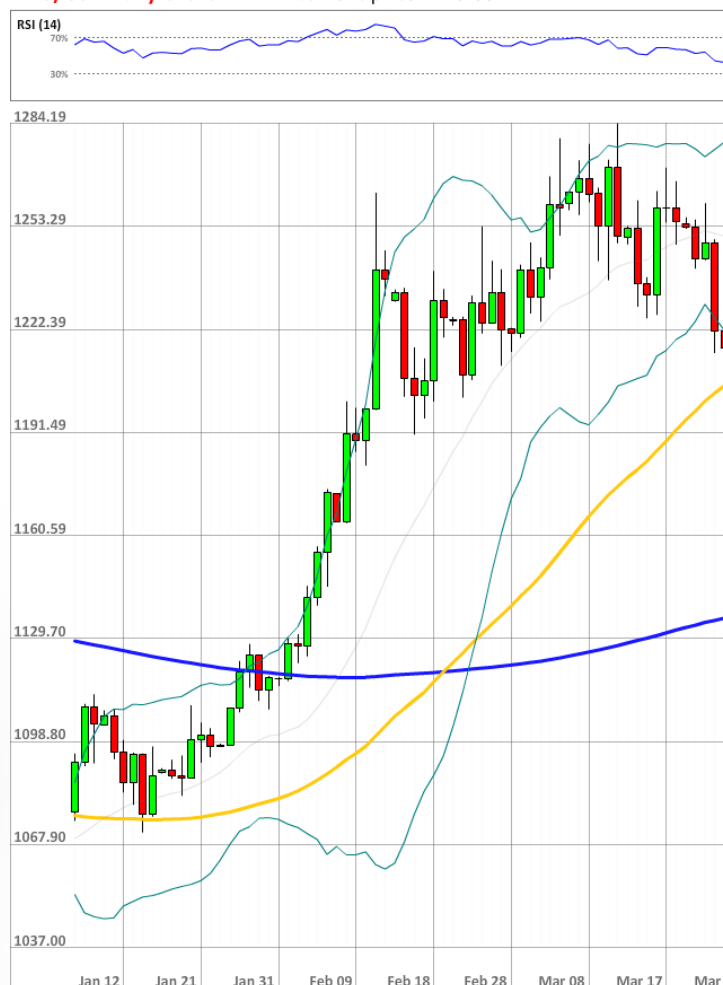
Even though the commodity market was shut for trading on Friday, this did not prevent the bullish side from gaining market share. It has advanced to 44% by the March 28 morning from 42% three days ago.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Positions	-12%	-16%	-38%	-23%

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

XAU/USD Daily Chart

Current price 1213.66



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1263			
1247			
1227			1250
1205	1206	1200	
1193			
1181			
		1125	1125
	1100		
	1071		
		1048	
			1037

	Level	Rationale
R3	1,263	February high
R2	1,247	Weekly R1
R1	1,227/33	Weekly S1; 23.6% Fibo; 20-day SMA
S1	1,205/1,199	Monthly PP; weekly S1; Bollinger band
S2	1,193/91	38.2% Fibo; 55-day SMA
S3	1,181	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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