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06/11/2015

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



Technical Analysis

EUR/USD steady before US payrolls report



"The market is on tenterhooks ahead of the U.S.. non-farm payrolls."
- IG Markets Ltd. (based on Bloomberg)

Pair's Outlook

Thursday trading was tranquil in terms of volatility, while EUR/USD decided to wait for more pronounced fundamental impetus on Friday. At the moment it is hovering slightly below the weekly S1 at 1.09, thus supporting our medium term bearish outlook. Short traders remain focused on the 1.08 mark, where May and July lows are reinforced by the weekly S2. This area is highly likely to be tested on Friday in case of positive US jobs report. On the other hand, a disappointment from fundamental front may send EUR/USD higher, and bulls are determined to regain 1.10 (weekly PP).

Traders' Sentiment

Bulls are holding the majority of open positions in the SWFX market, namely 51% of them, while commands to buy the Euro in 100-pip range from the spot dropped back to 45% (53% yesterday).

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	4%	2%	2%
Orders (±50 pips)	-12%	2%	14%	-6%
Orders (±100 pips)	-10%	6%	4%	-9%

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

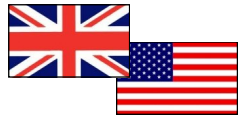
EUR/USD Daily Chart Current price: 1.0880



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.1062		1.11	
1.0998			
1.0901	1.09		
1.0818			
1.0768		1.07	1.07
1.0702			
1.06		1.05	
1.03			1.03

	Level	Rationale
■ Resistance 3	1.1062/77	Up-trend; 20-day SMA
■ Resistance 2	1.0998	Weekly PP
■ Resistance 1	1.0901	Weekly S1
■ Support 1	1.0818/1.0799	May and July lows; weekly S2
■ Support 2	1.0768	Monthly S1
■ Support 3	1.0702	Weekly S3

GBP/USD on the edge of breaching long-term support



"Fed policymakers appear to be trying to keep the possibility of a December rate hike alive since their last policy meeting."
- Barclays (based on CNBC)

Pair's Outlook

The Cable lost over 170 pips on Thursday, suffering from BoE governor's dovish statement. As a result, the strong immediate support was pierced, causing the GBP/USD to stabilise near the seven-month up-trend. Although the 23.60% Fibo, the Bollinger band and the weekly S1 are bolstering the support line, the broadly stronger US Dollar might cause another decline towards the Sep low of 1.5106. A perfect scenario is a rebound from the up-trend, therefore, preserving the current triangle pattern. Technical studies, however, are now giving bearish signals in the daily timeframe.

Traders' Sentiment

Market sentiment remains bullish, now at 53% (previously 51%), while the portion of buy orders lost 10% points, falling to 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	2%	0%	5%
Orders (±50 pips)	12%	16%	-52%	11%
Orders (±100 pips)	6%	26%	-48%	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)	Buy	Neutral	Neutral
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

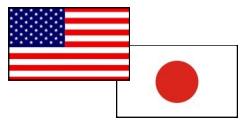
GBP/USD Daily Chart Current price: 1.5203



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			
1.5332	1.54	1.54	1.54
1.5218			
1.5105	1.51	1.51	1.51
1.4991			

Level	Rationale
Resistance 3: 1.5420	Down-trend
Resistance 2: 1.5342/78	Monthly and weekly PPs; 20, 55 and 200-day SMAs
Resistance 1: 1.5289	Weekly S1
Support 1: 1.5200/1.5185	Up-trend; Bollinger band; weekly S1; 23.60% Fibo
Support 2: 1.5153	Weekly S2
Support 3: 1.5106	September low

USD/JPY attempts to break through Aug 28 high



“The dollar has so far climbed on the back of rising U.S. bond yields, but that will not be enough to sustain a further rise. If stocks can retain their gains, the dollar can go even higher as the 'risk on' mood will work to its benefit. The stock markets will have to show that it has priced in a December rate hike.”
- IG Securities (based on Reuters)

Pair's Outlook

The Greenback retreated from its intraday high after the US data disappointed yesterday, thus confirming the resistance line at 121.74. This resistance is now under higher pressure, as the US fundamentals are expected to be in favour of the US currency. As a result, the Buck is likely to retake the 122.00 major level and possibly even pierce the resistance cluster around 122.10. However, risks of falling below the Monday's opening price persist, as weekly technical indicators are giving bearish signals and the immediate resistance might cause the USD/JPY to bounce back on weak data.

Traders' Sentiment

Slightly less than three quarters (73%) of traders are now short the USD. The share of buy orders barely changed: slid from 56 to 55%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-26%	-24%	-24%
Orders (±50 pips)	10%	16%	66%	13%
Orders (±100 pips)	10%	12%	56%	22%

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)	Neutral	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: 121.85



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
122.86			128
122.04		127	
121.75		125	125
121.39	125		
121.11		123	123
120.70		122	

	Level	Rationale
■ Resistance 3	122.86	Weekly R3
■ Resistance 2	122.04/27	Bollinger band; monthly R1; weekly R2
■ Resistance 1	121.75	100-day SMA
■ Support 1	121.39	Weekly R1
■ Support 2	121.11	200-day SMA
■ Support 3	120.70	Weekly PP

Gold prepares for US jobs data, stays at 1,105



"Gold continues to trend lower with rising bets on a Fed rate hike in December. The recent trend looks entrenched with sentiment weakening in recent days."

- ANZ (based on CNBC)

Pair's Outlook

Gold's losing streak was prolonged through the seventh consecutive day on Thursday, already pricing in the approaching employment report from the world's largest economy. Key target for bears remains the 1,100 mark, which is strengthened by the monthly S1. Another long term support is offered by the Jul low at 1,070, but even stronger than expected US numbers are unlikely to push the bullion there immediately. Meanwhile, any disappointment may result in a spike up to the recently breached trend-line at 1,118 and additional gains are also possible up to 1,126 (weekly S1).

Traders' Sentiment

As the metal continues to lose value, even more SWFX traders are fixing profit by closing short open positions. Yesterday the share of bulls added one additional percentage point to 55%, while bears are down even deeper to 45%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	8%	8%	4%

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

XAU/USD Daily Chart Current price: 1108.48



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233		1244	
1225			1225
1150	1150	1148	1150
1126			
1118			
1110			
1105	1105		
1100			
1088		1083	
1082			
			1062

	Level	Rationale
■ Resistance 3	1,126	Weekly S1
■ Resistance 2	1,118	Up-trend
■ Resistance 1	1,110	Weekly S2
■ Support 1	1,100/1,098	Monthly S1; Sep low
■ Support 2	1,088	Bollinger band
■ Support 3	1,082	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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