



DUKASCOPY
RESEARCH PRODUCTS

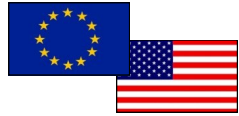
26/01/2016

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



Technical Analysis

EUR/USD is back into triangle, awaits Fed



“Part of the reason why it’s [Euro] outperforming today just could be the risk-off tone to the market, as the euro zone still has a wide current account surplus and there’s lots of liquidity.”

- CIBC World Markets (based on Bloomberg)

Pair’s Outlook

Monday trading session saw inflow of funds into the Euro, as risk-aversion reversed EUR/USD back to the North. The pair is now facing an immediate resistance at 1.0849/67, namely weekly pivot point and 20-day SMA. Medium-term bulls are hoping for dovish Fed tomorrow and looking at tougher supply near 1.0960/80 that is reinforced by Dec-Jan downtrend and 100-day SMA. On the other hand, bearish target is December low at 1.0521, and while EUR/USD remains under two-month trend-line the outlook will preserve a negative bias.

Traders’ Sentiment

SWFX bears remain in the majority of 55% for open positions. Alongside, 61% of all pending orders in 100-pip range from the spot suggest the EUR/USD pair will decline in the foreseeable future.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-8%	-12%	-10%
Orders (±50 pips)	-8%	-26%	0%	-6%
Orders (±100 pips)	-22%	-20%	-12%	-10%

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

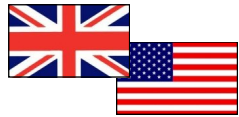
EUR/USD Daily Chart Current price: 1.0844



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.0962			1.1
1.0921			
1.0849			
1.0827	1.08	1.08	
1.0774			
1.0723			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.0962/82	Downtrend; Bollinger band; 100-day SMA
Resistance 2	1.0921	Weekly R1
Resistance 1	1.0849/69	20-day SMA; weekly PP
Support 1	1.0827/12	55-day SMA; monthly PP
Support 2	1.0774	Bollinger band
Support 3	1.0723	Weekly S1

GBP/USD gravitates towards 1.42



"I wouldn't expect a lot of appreciation in the dollar going forward, because markets have already priced in what is going to happen with relative monetary policy."
- James Bullard, St. Louis Fed President (based on Bloomberg)

Pair's Outlook

After having retested the down-trend, the GBP/USD currency pair bounced back and closed trade with a 22-pip loss on Monday. The bearish trend is expected to prevail and cause the Cable to fall deeper, despite the weekly PP providing immediate support. The decline could last down to the monthly S3 at 1.4053, while technical studies also support the bearish scenario. Nevertheless, a possibility of the down-trend getting breached persists, with the monthly S2 and the weekly R1 around 1.4390 being the next target.

Traders' Sentiment

A solid number of traders remain long the Sterling, namely 65%. Meanwhile, there has been a significant spike in the share of purchase orders; they increased from 40 to 66%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	30%	32%	26%	28%
Orders (±50 pips)	14%	-16%	-10%	-9%
Orders (±100 pips)	32%	-20%	-26%	-15%

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

GBP/USD Daily Chart Current price: 1.4225



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.51	1.51	1.52	
1.49			
1.48			
1.47			
1.4459			
1.4390			
1.4283			
1.4238			
1.4112			
1.4053			

	Level	Rationale
Resistance 3	1.4459	20-day SMA
Resistance 2	1.4390/95	Monthly S2; weekly R1
Resistance 1	1.4283	Down-trend
Support 1	1.4238	Weekly PP
Support 2	1.4112	Weekly S1
Support 3	1.4053/18	Monthly S3; Bollinger band

Gold to break out of triangle on risk aversion



"Gold might go for a run. If that [\$1,138] is breached, it could go to \$1,160."

- GoldSilver Central (based on CNBC)

Pair's Outlook

In the Asian session on Thursday the precious metal has booked some noticeable gains, as the price is located above the January downtrend at 1,113. To show strength and ability to grow further, the bulls are required to keep XAU/USD above 1,107 (downtrend) for two consecutive trading sessions. Some support may come from the Fed tomorrow. If successful, the long traders will focus on much heavier resistance at 1,127/31 (monthly R3 and 200-day SMA). However, downside risks are not off the table, as daily and weekly technical indicators remain quite mixed.

Traders' Sentiment

Advantage of long traders has been unchanged since last Thursday, as they continue holding about 55% of all open transactions in the SWFX market. Therefore, it puts the bearish portion at 45% and the gap is unchanged at ten percentage points.

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

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

XAU/USD Daily Chart Current price: 1112.46



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1152			
1137			
1123		1125	1125
1110	1100		
1104			
1098			
1071			
1048			
1037			1037

	Level	Rationale
■ Resistance 3	1,152	Downtrend
■ Resistance 2	1,137	Weekly R3
■ Resistance 1	1,123/31	Bollinger band; weekly R2; monthly R3; 200-day SMA
■ Support 1	1,110/07	Weekly R1; monthly R2; downtrend
■ Support 2	1,104	100-day SMA
■ Support 3	1,098/96	Sep 2015 low; weekly PP

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.