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



Technical Analysis

EUR/USD attempts to bounce off 55-day SMA



"The New Year kicks off with German inflation figures which will be closely watched, as they are a key input into tomorrow's euro area flash CPI estimate for December."
- Lloyds Bank (based on PoundSterlingLive)

Pair's Outlook

Last trading day of 2015 was bearish for the EUR/USD currency pair when it tumbled below the 1.09 mark to settle near 1.0855. During the January 4 Asian session, however, we are seeing a confident recovery around 1.09. This level is reinforced by the weekly pivot point and, if violated, we would allow for gains to be extended through 1.0950 in the nearest future. A longer-term bullish goal is placed at 1.1044 where the 100-day SMA is currently merging with 200-day SMA. From another side, the closest demand is 55-day SMA 1.0864.

Traders' Sentiment

The bulls are in the minority of 43%, while the bears are holding 57% of all positions at the moment.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-14%	-12%	-12%
Orders (±50 pips)	20%	-42%	-2%	-12%
Orders (±100 pips)	8%	-28%	-8%	-13%

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

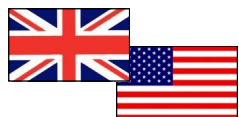
EUR/USD Daily Chart Current price: 1.0938



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1039			
1.0996			
1.0948			1.1
1.0900			
1.0864	1.08	1.08	
1.0812			
	1.05	1.05	1.05
	1.03		1.02
		1.01	

Level	Rationale
Resistance 3: 1.1039/44	Weekly R2; 200/100-day SMAs
Resistance 2: 1.0996/1.1008	Bollinger band; 50% Fib
Resistance 1: 1.0948	Weekly R1
Support 1: 1.09/1.0893	Weekly PP; 20-day SMA; 38.2% Fib
Support 2: 1.0864	55-day SMA
Support 3: 1.0812/08	Monthly PP; weekly S1; July 2015 low

GBP/USD puts 1.47 to the test



"I can't see a way round the tightening US labour market and steady growth delivering more monetary divergence, enough to keep the dollar strongish."

- Kit Juckes, Societe Generale SA (based on Bloomberg)

Pair's Outlook

On the last day on 2015 the Cable suffered a rather serious 80-pip decline, with the immediate support failing to hold those losses. Today the pair is under the risk of falling under the psychological level of 1.47, but with the Bollinger band and the weekly S1 providing support around 1.4670. At the same time, the nearest resistance is represented by the weekly PP at 1.4802, whereas the technical studies are unable to confirm either scenario with their mixed signals. A breach of the immediate support is also likely to set GBP/USD on a slippery slope towards the 2015 low of 1.4565.

Traders' Sentiment

For the fourth time in a row bullish market sentiment remains at 65%, while sell orders are outnumbering the buy ones by 2% points.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	30%	30%	36%	31%
Orders (±50 pips)	-4%	-2%	28%	-8%
Orders (±100 pips)	-2%	8%	28%	4%

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

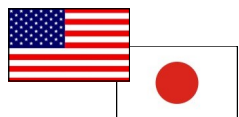
GBP/USD Daily Chart Current price: 1.4758



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5457	1.55		
1.5315			1.52
1.5172	1.51	1.51	
1.5030			1.47
1.4887	1.49		
1.4744		1.48	
1.4602			
1.4459			

Level	Rationale
Resistance 3: 1.4954	20-day SMA
Resistance 2: 1.4878/1.4903	Weekly R1; monthly PP
Resistance 1: 1.4802	Weekly PP
Support 1: 1.4674/68	Bollinger band; weekly S1
Support 2: 1.4593/65	Weekly S2; monthly S1; 2015 low
Support 3: 1.4459	Weekly S3

USD/JPY begins the year with a 140-pip slump



"Instability in the Middle East might lead to the yen being bought against the dollar, but that might be temporary as higher oil prices would support the economy of the United States, a major oil exporter, in the longer term."
- BBH (based on Reuters)

Pair's Outlook

Last week the USD/JPY currency pair retested the 120.00 major level and closed slightly higher—at 120.23. On Monday the USD weakened against the JPY significantly, the demand for which rose after Chinese data disappointed. As a result, the given pair fell to a fresh two-month low, and keeps edging lower towards the Oct 2015 low. The second cluster's lowest level, namely the monthly S1 at 118.93, has a chance to cause a rebound in the American session; however, the pair is still likely end the day in the red zone, as no impetus today will be strong enough to negate all losses.

Traders' Sentiment

Bearish traders' sentiment remains unchanged at 59%, whereas the portion of orders to acquire the US Dollar increased from 57 to 71%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-18%	-18%	-36%	-32%
Orders (±50 pips)	44%	12%	-42%	9%
Orders (±100 pips)	42%	14%	-2%	13%

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

USD/JPY Daily Chart Current price: 118.75



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

Level	Rationale
Resistance 3 (120.94)	Weekly R2
Resistance 2 (120.58)	Weekly R1
Resistance 1 (120.29)	Weekly PP
Support 1 (119.93/64)	Weekly S1; weekly S2
Support 2 (119.29/118.93)	Weekly S3; Bollinger band. Monthly S1
Support 3 (118.06)	Oct 2015 low

Gold gains ground on weaker US Dollar



“When you look across the board, there’s just a little bit of geopolitical risk coming back into the market.”

- Ayers Alliance Securities (based on Bloomberg)

Pair’s Outlook

Gold prices have been rising in the morning on January 4, the first working day after a long holiday. Both market volatility and trading volume are highly likely to increase above pre-Christmas levels soon, meaning price movements can become less predictable. In case the US statistics disappoints on Monday, then we should see the bullion consolidating above monthly/weekly PP at 1,065. This fact will therefore expose the 20-day SMA at 1,068, which is followed by the Nov-Dec downtrend at 1,075.

Traders’ Sentiment

Since Thursday of the previous week we have not seen any changes to the SWFX market sentiment with respect to the yellow metal. At the moment around 56% of all traders are still bullish on gold, while 44% of them see the bullion lower.

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

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

XAU/USD Daily Chart Current price: 1071.79



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1125			1125
1100			
1089			
1083			
1072	1071		
1069			
1055			
1046		1048	
			1037

	Level	Rationale
■ Resistance 3	1,089/91	55-day SMA; weekly R3
■ Resistance 2	1,083/84	Bollinger band; weekly R2; monthly R1
■ Resistance 1	1,072/75	Weekly R1; downtrend
■ Support 1	1,069/65	20-day SMA; weekly and monthly PP
■ Support 2	1,055/53	Bollinger band; weekly S1
■ Support 3	1,046/44	Weekly S2; 2015 and 2010 lows

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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