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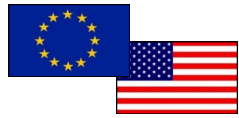
01/03/2016

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



Technical Analysis

EUR/USD confirms uptrend to the downside



“EUR/USD grinding steadily lower is a function of inflation as well as Brexit, with both likely to keep pressure on the currency”.

- Jefferies Group LLC (based on Bloomberg)

Pair's Outlook

Pessimistic inflation statistics from the Euro zone used to have a direct negative impact on the Euro on Monday, even though the currency attempted to remain above 1.0930 in the first part of the day. Eventually, it closed at 1.0872 and kept the weekly S1 intact. The two-month uptrend line is now violated and we are awaiting consolidation today. Bullish hopes are being limited by both 55/100-day SMAs at 1.0935/67. In the meantime, a drop of EUR/USD under the first weekly support is expected to cause another round of a sell-off down to the February low of 1.0809 over the next 24 hours.

Traders' Sentiment

The percentage of long positions in the SWFX market grew to 53% by Tuesday morning, the highest level in almost 14 weeks. Pending orders, however, continue betting on Euro's decline in 52-55% of all cases.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	6%	2%	0%	-2%
Orders (±50 pips)	-10%	-10%	-16%	-6%
Orders (±100 pips)	-4%	-16%	-10%	-6%

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

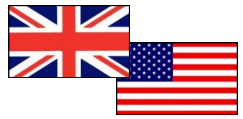
EUR/USD Daily Chart Current price: 1.0893



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1201			
1.1021			
1.0935			1.1
1.0852			
1.0809	1.08	1.08	
1.0709			
	1.05	1.05	1.05
	1.03		
			1.02
			1.01

Level	Rationale
R3	1.1201/27 Weekly R2; monthly R1
R2	1.1021/65 Monthly PP; 20/200-day SMAs; weekly R1
R1	1.0935/88 100/55-day SMAs; uptrend; weekly PP
S1	1.0852 Weekly S1
S2	1.0809/1.0771 Feb low; weekly S2; Bollinger band
S3	1.0709 Jan low

GBP/USD in tight range between 1.38 and 1.40



“Brexit risk has become more two-sided coin because of the size of the Brexit risk discount in the GBP, now that the discount is there, positioning and short-term valuation in GBPUSD indicate the strong possibility of a short squeeze”.
- BMO Capital Markets (based on PoundSterlingLive)

Pair's Outlook

The British Pound succeeded in outperforming the US currency at the beginning of the week, thus, retaking the 1.39 major level. Today the Cable remains caged between the weekly PP at 1.4012 and the cluster around 1.3750, represented by the Bollinger band and the weekly S1. However, technical studies retain their bearish signals, suggesting that the pair could erase some of yesterday's gains. Nevertheless, there is still room for more than a 90-pip rally towards the nearest resistance, in case the Buck loses significantly more long positions later.

Traders' Sentiment

The percentage of Sterling long positions open in the SWFX market keeps oscillating between 63% and 65%, with the lowest of the two prevailing today. At the same time, the share of buy orders barely changed—increased from 58 to 59%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	26%	30%	42%	28%
Orders (±50 pips)	34%	18%	80%	33%
Orders (±100 pips)	18%	16%	40%	17%

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

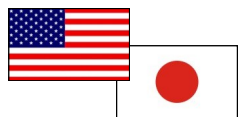
GBP/USD Daily Chart Current price: 1.3946



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55		1.52	
1.51	1.51	1.52	
1.49		1.47	
1.4286			
1.4141			
1.4012			
1.3791			
1.3614			
1.3505			

Level	Rationale
R3	1.4286 20-day SMA
R2	1.4141/70 Monthly PP; weekly R1
R1	1.4012 Monthly PP
S1	1.3791/15 Bollinger band; weekly S1
S2	1.3614/1.3557 Monthly S1; weekly S2
S3	1.3505 2009 low

USD/JPY attempts to regain the bullish momentum



“As expected, the G20 meeting did not result in big changes and it's now easier to buy the yen. There were no strong policy statements - they merely reiterated that competitive currency devaluations were not a good thing - and the yen appeared a good bargain after last week's slide”.
- BBH (based on Reuters)

Pair's Outlook

As was anticipated, the USD/JPY currency pair weakened on Monday and pierced the immediate support area; however, the second target at 112.00 was not reached. Even though demand for the safe haven Yen remained strong earlier today and pushed the pair closer to the now immediate resistance—the weekly S1 at 112.01. Investors appear to have regained some confidence in the Buck, helping the pair recover from intraday losses on the moment of writing, but the resistance at 113.00, namely the weekly PP, if not to contain the volatility, then could keep the Greenback from appreciating. In case of a breach, the pair could potentially even reach the second resistance around 114.00.

Traders' Sentiment

Today 72% of all open positions are now long, compared to 70% on Monday. Meanwhile, the number of buy orders slid from 65 to 52%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	44%	40%	48%	43%
Orders (±50 pips)	-22%	58%	-12%	0%
Orders (±100 pips)	4%	30%	-64%	-15%

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

USD/JPY Daily Chart Current price: 112.66



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

Level	Rationale
R3	114.96/115.04 Weekly R1; monthly PP
R2	113.96 20-day SMA
R1	113.00 Weekly PP
S1	112.01 Weekly S1
S2	110.66/05 Bollinger band; weekly S2
S3	109.06/108.60 Weekly S3; monthly S1

Gold picks up and eyes February highs



*“Weak data globally is adding to concerns over a slowdown and that is helping gold”.
- a bullion trader in Hong Kong (based on CNBC)*

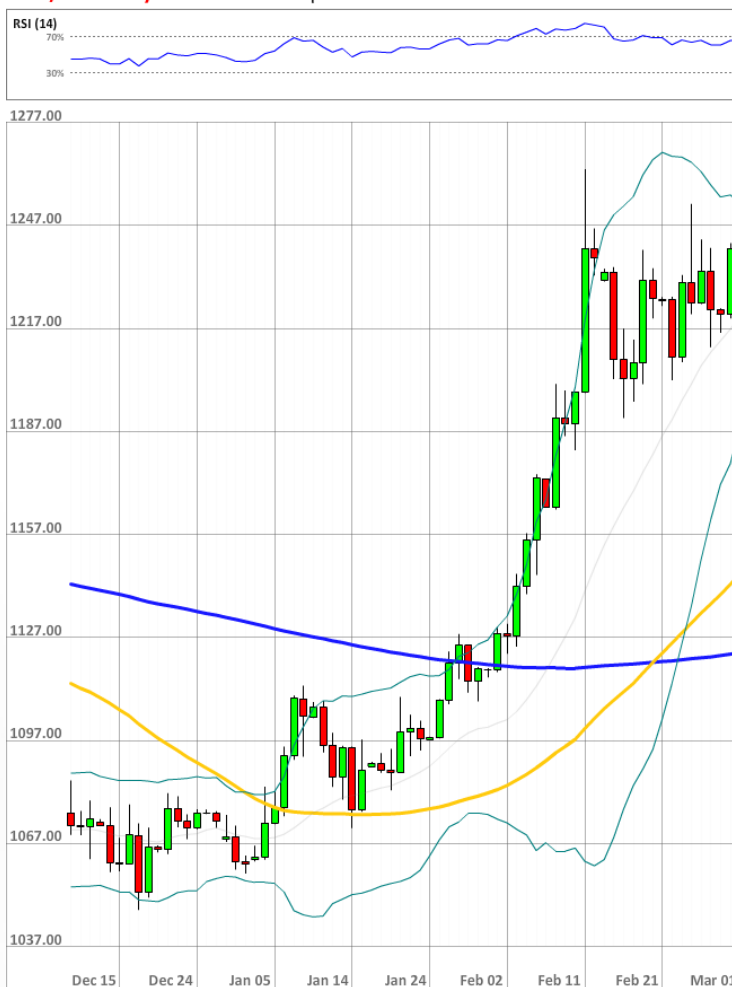
Pair's Outlook

Monday has been a green day for the bullion, which bounced off the February uptrend and spiked towards the 1,240 mark. Tuesday sees a continuation of the bullish tendency, which is estimated to lead to a testing of the first weekly resistance at 1,249. This one is guarding the February 24 high at 1,253 and the multi-month high at 1,263. Growth beyond the latter is unlikely throughout the next 24 hours, unless there is any heavy shock from external economic factors. However, daily technical indicators do not abandon their optimistic stance, meaning general sentiment prefers a rally to a bearish correction.

Traders' Sentiment

Market participants that are betting on gold's rally began returning to the marketplace and pushed their respective share of total open positions to 31% from 27% yesterday. For the first time in five days less than 70% of all SWFX traders are short on the bullion.

XAU/USD Daily Chart Current price: 1244.95



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1277			
1261			
1249			1250
1225			
1205	1206	1200	
1199			
	1125	1125	
	1100		
	1071		
		1048	
			1037

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-38%	-46%	-40%	-42%

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

Level	Rationale
R3	1,277 Weekly R2
R2	1,261/63 Feb high; Bollinger band
R1	1,249 Weekly R1
S1	1,225/20 Weekly PP; uptrend
S2	1,205 Monthly PP; 20-day SMA
S3	1,199/94 Weekly S1; uptrend

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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