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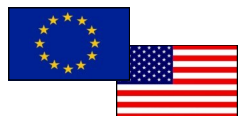
24/02/2016

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



Technical Analysis

EUR/USD approaches support up-trend



"The euro came under pressure but the magnitude of its decline was nominal compared to other major currencies because of risk aversion and the fact that \$1.10 is being defended aggressively."

- Kathy Lien, BK Asset Management (based on CNBC)

Pair's Outlook

EUR/USD retains potential to go lower from here. There are still 40-50 pips left until the probable turning point. The 1.0972/51 demand area consists of several notable levels, including the lower bound of the ascending channel, 100-day SMA, and monthly R1. In case it holds, the target for the next month will be the October 2015 high at 1.15. However, if the price keeps falling nonetheless, we are likely to see a test of the late January lows around 1.08 dollars.

Traders' Sentiment

Although the percentage of bullish market participants increased, the sentiment remains neutral. At the moment, 52% of positions are long and 48% are short. The distribution between the buy and sell orders is similar, only 48% of commands are to buy and 52% to sell.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	0%	-10%	-9%
Orders (±50 pips)	-6%	-16%	-8%	-3%
Orders (±100 pips)	-4%	-10%	-2%	-2%

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

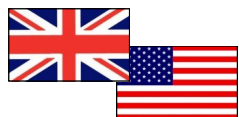
EUR/USD Daily Chart Current price: 1.1004



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1115			
1.1078			
1.1046			
1.0972			1.1
1.0863			
1.0806	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.1115	Monthly R2
Resistance 2	1.1078	20-day SMA
Resistance 1	1.1046	Weekly S1; 200-day SMA
Support 1	1.0972/51	Weekly S2; monthly R1; 55 and 100-day SMA; up-trend
Support 2	1.0863/41	Weekly S3; monthly PP
Support 3	1.0806	Bollinger band

GBP/USD to keep sliding down



"[Brexit could] put at risk important external financing sources for the UK's sizable current account deficit. In a worst-case scenario, a Brexit could also harm the sterling's role as a global reserve currency, removing what has been a significant support for our 'AAA' rating since the start of the global financial crisis."
- S&P (based on Reuters)

Pair's Outlook

The British Pound experienced another sell-off yesterday, exceeding Monday's loss by ten pips. Even though technical studies retain mixed signals in the daily timeframe, the Cable is expected to suffer another decline today, falling under the 1.40 mark. The closest area to limit the dips is represented by the weekly S3 and the monthly S1 at 1.3945. However, this threshold might well fail to keep the GBP/USD currency pair afloat, leaving the door open to a decline towards the 1.39 major level. Meanwhile, the Bollinger band and the weekly S1 form a resistance area around 1.4065.

Traders' Sentiment

Although not as strong as yesterday, but market sentiment remains bullish at 67%. The share of purchase orders slid from 70 to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	34%	42%	26%	21%
Orders (±50 pips)	20%	80%	-2%	24%
Orders (±100 pips)	8%	40%	4%	12%

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

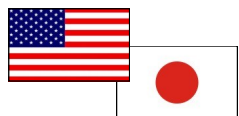
GBP/USD Daily Chart Current price: 1.3993



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5338	1.55		
1.5076			1.52
1.4814	1.51	1.51	
1.4553			
1.4291	1.49		
1.4029		1.48	
1.3767			1.47
1.3505			

Level	Rationale
Resistance 3 (1.4377/91)	20-day SMA; weekly and monthly PPs
Resistance 2 (1.4247)	Weekly S1
Resistance 1 (1.4048/91)	Bollinger band; weekly S2
Support 1 (1.3946/45)	Weekly S3; monthly S1
Support 2 (1.3645)	Monthly S2
Support 3 (1.3505)	2009 low

USD/JPY attempts to remain above the 112.00 mark



"The combination of comments from Kuroda and broader market moves are helping support the yen and that's why it's stronger."

- Wells Fargo (based on Business Recorder)

Pair's Outlook

Although neither technical level was breached yesterday, the USD/JPY currency pair closed trade with a 79-pip loss. The immediate support cluster, namely the monthly S3 and the weekly S1, was put the test, but succeeded in keeping the Buck above 112.00 yen. The pair was unable to pierce this support through all of the month, but technical indicators suggest the exchange rate could drop below it today. In this case the next target will be the weekly S2 at 110.67, unless positive US fundamentals trigger a rally; the nearest resistance, however, is to remain intact.

Traders' Sentiment

Bullish traders' sentiment remains unchanged at 74%, while the portion of sell orders dropped 8% points lower, down to 74%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	48%	48%	34%	29%
Orders (±50 pips)	-62%	-12%	-2%	-2%
Orders (±100 pips)	-48%	-64%	-54%	-14%

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

USD/JPY Daily Chart Current price: 112.14



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

	Level	Rationale
■ Resistance 3	115.37/81	20-day SMA; weekly R2
■ Resistance 2	113.88/114.18	Monthly S2; weekly R1
■ Resistance 1	113.24	Weekly PP
■ Support 1	111.78/61	Monthly S3; weekly S1
■ Support 2	110.67	Weekly S2
■ Support 3	109.54/04	Bollinger band; weekly S3

Gold is bullish



"Gold is performing largely as a safe-haven asset given the equity doldrums and overall risk aversion. Should risk aversion dominate amid intensified global growth headwinds, gold may well rally to as high as \$1,400."
- Barnabas Gan, Oversea-Chinese Banking Corp. (based on Bloomberg)

Pair's Outlook

The precious metal is well-positioned to resume its January and early February rally. While there could be a small sell-off in the near term, as long as 1,211/10 (up-trend and monthly R3) is intact, our target will be the February high at 1,264. Alternatively, should the bears push the price under 1,211/10, as suggested by the monthly technical indicators, this will not automatically invalidate the overall positive outlook, since there is also a strong demand area circa 1,190 dollars, represented by the recently violated three-year-old falling trend-line.

Traders' Sentiment

The bears in the SWFX market stand firm. They take up 71% of the market, which is slightly higher than their 10-day average share of 66%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	-42%	-40%	-46%	-32%

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

XAU/USD Daily Chart Current price: 1223.58



	Level	Rationale
■ Resistance 3	1,296	Weekly R3
■ Resistance 2	1,272/64	Weekly R2; Bollinger band; Feb high
■ Resistance 1	1,246	Weekly R1
■ Support 1	1,219	Weekly PP
■ Support 2	1,211/10	Monthly R3; up-trend
■ Support 3	1,198	Weekly S1

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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