



DUKASCOPY
RESEARCH PRODUCTS

17/02/2016

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



Technical Analysis

EUR/USD gets bullish momentum from 1.1115



"If inflation is slower to return to target, monetary policy normalization should be unhurried."

- Eric Rosengren, Boston Fed President (based on Bloomberg)

Pair's Outlook

EUR/USD was largely unchanged over Tuesday after two days of sharp losses. A sell-off is now being contained by the immediate cluster of supports at 1.1115/00. Here we have the monthly R2, which is guarded by the first weekly demand and 20-day SMA. We expect a recovery to take place shortly, given that daily technical indicators are also strongly pointing to the North. Moreover, in any case the bears are likely to fail at the 1.1052 mark represented by the 200-day SMA. The first bullish goal is intact – the 1.1238/46 area (weekly PP; monthly R3).

Traders' Sentiment

Advantage of short market participants over bullish traders returned to ten percentage points, while yesterday there was a 12 pp gap between them.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-12%	-22%	-16%
Orders (±50 pips)	-8%	-8%	-6%	6%
Orders (±100 pips)	-2%	-6%	-4%	8%

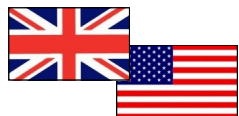
Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Sell	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

EUR/USD Daily Chart Current price: 1.1166



	Level	Rationale
■ Resistance 3	1.1451/60	Bollinger band; Sep 2015 high
■ Resistance 2	1.1390	Up-trend; weekly R1
■ Resistance 1	1.1238/46	Weekly PP; monthly R3
■ Support 1	1.1115/1.1098	Monthly R2; weekly S1; 20-day SMA
■ Support 2	1.1052	200-day SMA
■ Support 3	1.0972/48	Monthly R1; 100-day SMA; weekly S2; 55-day SMA

GBP/USD tests water under 1.43 ahead of labour data



“Rebounding risk appetite should ease global funding concerns working in favour of current account deficit FX such as the pound.”

- Morgan Stanley (based on Reuters)

Pair's Outlook

Yesterday disappointment in UK's inflation outlook pushed the GBP/USD significantly lower, with the four-week up-trend failing to hold the losses. The Sterling is expected to recover after such a gradual fall, as technical indicators are once again giving bullish signals. Lower unemployment is to boost the Cable, with the closest area to limit the gains located only around 1.4385. However, since the GBP/USD is on the backfoot, we might also observe another slump beyond the immediate support of 1.4255, especially if the fundamental data is in favour of the American Dollar.

Traders' Sentiment

The share of long positions now takes up 63% of the market (previously 60%), while the buy order portion slid from 65 to 52%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	26%	20%	14%	11%
Orders (±50 pips)	-2%	36%	-16%	5%
Orders (±100 pips)	4%	30%	-2%	-1%

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

GBP/USD Daily Chart Current price: 1.4285



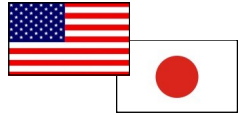
SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.51	1.51	1.52	
1.49			
1.48			
1.47			
1.4611			
1.4481			
1.4380			
1.4255			
1.4162			
1.3945			

Level	Rationale
Resistance 3: 1.4611/43	Weekly R1; Bollinger band; 55-day SMA
Resistance 2: 1.4481	Weekly PP
Resistance 1: 1.4380/98	Monthly PP; weekly S1; 20-day SMA
Support 1: 1.4255	Weekly S2
Support 2: 1.4162/57	Bollinger band; weekly S3
Support 3: 1.3945	Monthly S1

USD/JPY under the risk of erasing last week's gains

"Dollar/yen will continue to watch movements in risk assets like crude oil and equities, for direction. During 'risk off' phases the yen continues to show the strongest reaction. The dollar approached the 115 yen threshold recently and this also makes it easier for participants to sell the currency."

- Barclays (based on CNBC)



Pair's Outlook

The USD/JPY currency pair's sell-off was limited by the immediate support cluster yesterday, however, it is uncertain whether the cluster will succeed in doing so again today. Technical studies retain their bearish signals, while the risk-off sentiment returned to the markets after another Yuan devaluation by the PBoC. The Yen now has the upper hand against the Buck and could push the pair all the way down to the 112.00 level, which in turn is bolstered by the monthly S3. On the other hand, if bulls manage to take over, the US Dollar could then successfully retake the 115.00 major level.

Traders' Sentiment

Today 67% of traders retain a positive outlook towards the USD, whereas the number of purchase orders plunged from 51 to 23%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	34%	28%	-48%	-14%
Orders (±50 pips)	-2%	-12%	-54%	0%
Orders (±100 pips)	-54%	2%	-6%	1%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Sell	Buy
CCI (14)	Neutral	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: 113.74



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

119.59
118.93
116.81
113.89
111.78
110.27

Level	Rationale
Resistance 3: 119.59/120.02	Monthly PP; 100-day SMA
Resistance 2: 118.93	55-day SMA
Resistance 1: 116.81/117.50	20-day SMA; weekly R1; monthly S1
Support 1: 113.89/88	Weekly PP; monthly S2
Support 2: 111.78/64	Bollinger band; monthly S3
Support 3: 110.27	Weekly S1

Gold in limbo around 1,200



"Fears around China, oil and negative interest rates have likely been overstated in the gold price and other financial markets."

- Goldman Sachs (based on Reuters)

Pair's Outlook

Tuesday was a mixed day for the bullion, as neither the bulls nor bears were managing to take a full control over the price. However, by the end of US session the latter were able to fix a red candle with the spot precisely at the 1,200 mark. The bears are still watching the Oct 2015 high at 1,191 that was briefly touched yesterday. The second support is the weekly S1 at 1,180. In the meantime daily technicals preserve the bullish bias, as they see the monthly R3 (1,209) being reclaimed over the next 24 hours. Bullish success here will potentially expose the weekly pivot point (1,221) as the second daily supply.

Traders' Sentiment

Losses for the bullish side in the SWFX market were extended throughout the second day of this week, as their share slid to 27% from 31% a day before.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-38%	-14%	-14%

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: 1205.21



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1232			1250
1221			
1209			
1206		1200	
1191			
1180			
1170			
1150.16			
1121.87		1125	1125
1093.58			
1100			
1071			
1065.29			
1048			
1037.00			1037

	Level	Rationale
■ Resistance 3	1,232	May 2015 high
■ Resistance 2	1,221	Weekly PP
■ Resistance 1	1,209	Monthly R3
■ Support 1	1,191	Oct 2015 high
■ Support 2	1,180	Weekly S1
■ Support 3	1,170/68	Aug 2015 high; monthly R2; 20-day SMA

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.