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



# Technical Analysis

# EUR/USD breaches weekly PP to boost outlook



*"This [housing starts] result should take some steam out of the positive surprises that markets have gotten out of U.S. data of late and help keep the dollar on the defensive."*  
- Canadian Imperial Bank of Commerce (based on Bloomberg)

## Pair's Outlook

Even though the volume of trading for the EUR/USD cross remained broadly flat for a third day on Tuesday, it did not stop the bulls from pushing the pair up by 46 pips. The Euro successfully dealt with the weekly pivot point, thereby switching attention to the 1.1460 mark. Here the bulls will find the September 2015 peak and the current April high along with the Feb-April uptrend line. Medium-term dips will be consequently allowed to extend down to the 1.12 mark where the nearest massive cluster of supports consists of the monthly pivot, weekly S1 and 55-day SMA.

## Traders' Sentiment

On April 19 this SWFX distribution between long and short positions has gained enough power to change and the bulls were sent down to 41%, meaning the gap has expanded to 18 pp by Wednesday morning.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-16%	-16%	-18%
Orders (±50 pips)	-8%	-24%	-30%	-11%
Orders (±100 pips)	-10%	-18%	-20%	-13%

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

EUR/USD Daily Chart

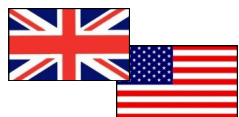
Current price 1.1358



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.1495			
1.1460			
1.1420			
1.1327			
1.1204	1.12	1.12	1.12
1.1156			
1.1			
1.09			
1.08			
1.07			
1.06			
1.05			

	Level	Rationale
R3	1.1495	October 2015 high
R2	1.1460/73	Bollinger band; trend-line
R1	1.1420	Weekly R1
S1	1.1327/09	Weekly PP; 20-day SMA
S2	1.1204/1.1190	Monthly PP; weekly S1; 55-day SMA
S3	1.1156	Bollinger band

# GBP/USD attempts to climb over 1.44



*"A vote to leave the EU might result in an extended period of uncertainty about the economic outlook, including about the prospects for export growth. This uncertainty would be likely to push down on demand in the short run."*

- Mark Carney, Governor of Bank of England (based on WBP Online)

## Pair's Outlook

The Us currency weakened on Tuesday, allowing the British Pound to take the upper hand once more and reach the 1.44 mark over the day. A break out of the falling wedge pattern implied that more bullish momentum was likely to follow, with the Cable aiming towards the resistance line at 1.45. Today only one resistance cluster separates the GBP/USD currency pair from reaching that goal, formed by the Bollinger band, the 100-day SMA and the weekly R2. However, we should not rule out the possibility of the exchange rate returning below 1.4350, with the nearest support represented by the weekly R1.

## Traders' Sentiment

Market sentiment remains bullish, but taking up 56% of the market, compared to 57% yesterday. At the same time, the portion of orders to acquire the Sterling increased from 36 to 59%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	12%	14%	22%	26%
Orders (±50 pips)	14%	-44%	26%	6%
Orders (±100 pips)	18%	-28%	20%	8%

Indicator	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)	Sell	Neutral	Buy
AROON (14)	Buy	Sell	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell
Aggregate	→	↘	↘

GBP/USD Daily Chart

Current price 1.4353

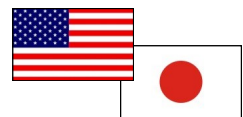


SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.4597			
1.4542	1.46		
1.4433		1.45	
1.4339	1.43		1.44
1.4260		1.42	
1.4081			
1.4			
			1.51
		1.49	
		1.47	

	Level	Rationale
R3	1.4597/1.4615	Weekly R3; monthly R1
R2	1.4542	Down-trend
R1	1.4433/73	Bollinger band; 100-day SMA; weekly R2
S1	1.4339	Weekly R1
S2	1.4260/15	Monthly and weekly PPs; 20 and 55-day SMAs
S3	1.4081	Weekly S1

Wednesday, April 20, 2016  
07:30 GMT

# USD/JPY: downside risks persist



*"Direct currency intervention remains a threat at below 105 yen levels. Yet the BoJ must tread lightly as unsuccessful action will only erode their credibility, which is critical in policy setting."*

- Swissquote (based on Reuters)

## Pair's Outlook

Even though the US Dollar managed to take advantage of risk appetite and outperform the Japanese Yen on Tuesday, risks of the pair edging lower today persist. First of all, technical indicators retain their bearish signals, bolstering the possibility of the negative outcome; second, the USD/JPY currency pair was unable to reconquer the 109.50 level, which kept the Buck pressured ever since the first rebound from the 18-month low occurred. Nonetheless, the monthly S2 and the weekly PP form a rather strong support cluster at 108.70, where dips are likely to be limited if the bearish momentum prevails.

## Traders' Sentiment

Once again 73% of traders have a positive outlook towards the Greenback (previously 70%). Meanwhile, the number of orders to acquire the USD slightly declined, but still takes up 70% of the market.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	46%	40%	46%	45%
Orders (±50 pips)	2%	10%	-24%	-16%
Orders (±100 pips)	40%	52%	-4%	-1%

Indicator	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	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 108.94



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
			124
		121	
	120		119
		116	
	115		115
		113	
	112		
	111.86		
	110.35		
	109.76		
	108.70		
	107.66		
	106.74		

	Level	Rationale
R3	111.86	Weekly R3
R2	110.35/79	20-day SMA; monthly S1; weekly r2
R1	109.76	Weekly R1
S1	108.70/69	Monthly S2; weekly PP
S2	107.66/63	Weekly S1; 18-month low
S3	106.74/59	Monthly S3; Bollinger band; weekly S2



Wednesday, April 20, 2016  
07:30 GMT

# Gold confirms 1,241 from second attempt



*"A repricing of Fed tightening expectations is therefore likely in the second quarter. The subsequent increase in US nominal and real interest rates could dampen investment demand and therefore gold prices."*

- FastMarkets (based on The Bullion Desk)

## Pair's Outlook

The bullion grabbed benefits from weaker US Dollar on Tuesday, by soaring the most in a week to close at 1,250. Backed by the 55-day SMA, currently at 1,231.56, gold surged as high as the first weekly resistance at 1,256.06, which managed to contain the upward pressure. Now the spot is located above the monthly pivot (1,241.50) and the outlook is improving. The key bullish goal is present April peak at 1,262.70, which is immediately followed by the February high at 1,263.43. Also, the bullish case is expected by the aggregate daily technical studies.

## Traders' Sentiment

The rally of yesterday forced some major profit taking and the percentage of bullish SWFX traders bounced back to 40%, down from 45% a day ago.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-20%	-10%	-32%	-19%

Indicator	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	Buy	Buy
CCI (14)	Sell	Neutral	Sell
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Neutral	Buy	Sell
SAR (0.02; 0.2)	Buy	Buy	Buy
Aggregate	↗	↑	→

XAU/USD Daily Chart

Current price 1246.68



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1284			
1274			
1256			
1248			1250
1241		1232	
1231			
1217			
1175			1200
1160		1160	
1125		1113	
1100			1100

	Level	Rationale
■ R3	1,284	March high
■ R2	1,274/78	Monthly R1; weekly R2
■ R1	1,256/63	Weekly R1; Bollinger band; April 12 high; February high
■ S1	1,241/37	20-day SMA; weekly and monthly PPs
■ S2	1,231	55-day SMA
■ S3	1,217/12	Weekly S1; Bollinger band

## 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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