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



Technical Analysis

EUR/USD in limbo between weekly PP and S1



"The dollar deserves to surge at least once more this cycle. A USD peak will come but not at the first Fed hike and maybe not until mid/late 2016."

- JPMorgan Chase (based on Bloomberg)

Pair's Outlook

Ignoring fundamentals from both Euro area and US, the most traded FX cross decided to have some rest for one more day on Tuesday. Even despite relatively high trading volume, EUR/USD's movements are muted and we observe little changes around 1.0650. Nearest supply and demand is created by 1.0674 (weekly PP) and 1.0586 (weekly S1). Closure below the support line will expose the April low at 1.0519, which remains the mid-term target for the bears.

Traders' Sentiment

Bears of the SWFX market have gained a minimal majority of open positions in the past 24 hours, namely 51% of them. Separately, only 39% (35% yesterday) of pending orders are set to acquire the 19-nation currency in 100-pip range from the spot price at the moment of writing.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-2%	0%	12%	6%
Orders (±50 pips)	-28%	-20%	-16%	-11%
Orders (±100 pips)	-22%	-30%	-20%	-18%

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

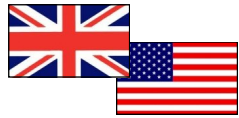
EUR/USD Daily Chart Current price: 1.0655



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11		1.11	
1.09			
1.0786			
1.0733			
1.0674		1.07	1.07
1.06			
1.0586			
1.0536		1.05	
1.0461			
			1.03

	Level	Rationale
Resistance 3	1.0786/1.0821	Jul low; 20-day SMA; weekly R2
Resistance 2	1.0733/68	Weekly R1; monthly S1
Resistance 1	1.0674	Weekly PP
Support 1	1.0586	Weekly S1
Support 2	1.0536/19	Bollinger band; weekly and monthly S2; Apr low
Support 3	1.0461	Mar low

GBP/USD: bias still negative



“Robust U.S. domestic demand growth remains the main driver of U.S. economic activity and justifies a December Fed funds rate increase. Still, we expect the Fed's tightening cycle to be gradual which will limit significant USD upside.”
- Commonwealth Bank (based on Reuters)

Pair's Outlook

The Cable's volatility almost reached the second support area yesterday, with trade closing at 1.5077, slightly above the expected level. The Sterling is now attempting to regain the bullish momentum, but the daily and weekly technical studies remain bearish. The Pound is now under the risk of falling under the major level of 1.50, even though the Bollinger band is bolstering that area. Furthermore, the GBP/USD is first required to breach the weekly S2 and the November low (1.5027) in order to reach this target.

Traders' Sentiment

Bulls took the upper hand, with 52% of all positions now long (previously 49%). Meanwhile, the gap between buy and sell orders keeps narrowing; today 43% of all commands are to buy the Pound.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	-2%	-22%	-15%
Orders (±50 pips)	-28%	-28%	-20%	-19%
Orders (±100 pips)	-14%	-28%	-6%	-18%

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

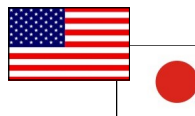
GBP/USD Daily Chart Current price: 1.5097



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5225			1.59
1.5185		1.58	
1.5114	1.56		
1.5043	1.54	1.54	1.54
1.4999			
1.4945	1.51	1.51	1.51

Level	Rationale
Resistance 3: 1.5225/27	Weekly PP; 20-day SMA
Resistance 2: 1.5185	23.60% Fib
Resistance 1: 1.5114	Weekly S1
Support 1: 1.5043	Weekly S2
Support 2: 1.4999	Bollinger band
Support 3: 1.4945/33	Monthly S2; weekly S3

USD/JPY on the edge of breaking the up-trend



“Yield support for the USD should thus continue to build into the Fed meeting. A probable “dovish” Fed hike as Chair Yellen emphasises a gentle trajectory suggests the Dec 16 hike could mark a temporary high for the USD, especially given the temptation to lighten positions into year’s end.”
- Westpac (based on FXStreet)

Pair's Outlook

The USD/JPY appears to be ignoring positive US fundamental data, as the pair dropped 32 pips lower yesterday, even touching the up-trend over the day. Today trade opened just on top of the support trend-line, which should could a rebound today, with the pair edging closer to the 123.00 major level. Nevertheless, the Greenback is still under sufficient pressure and risks piercing the immediate support cluster. The second target lies just above the 122.00 mark, where the weekly S1 coincides with the monthly R1, forming another possible demand.

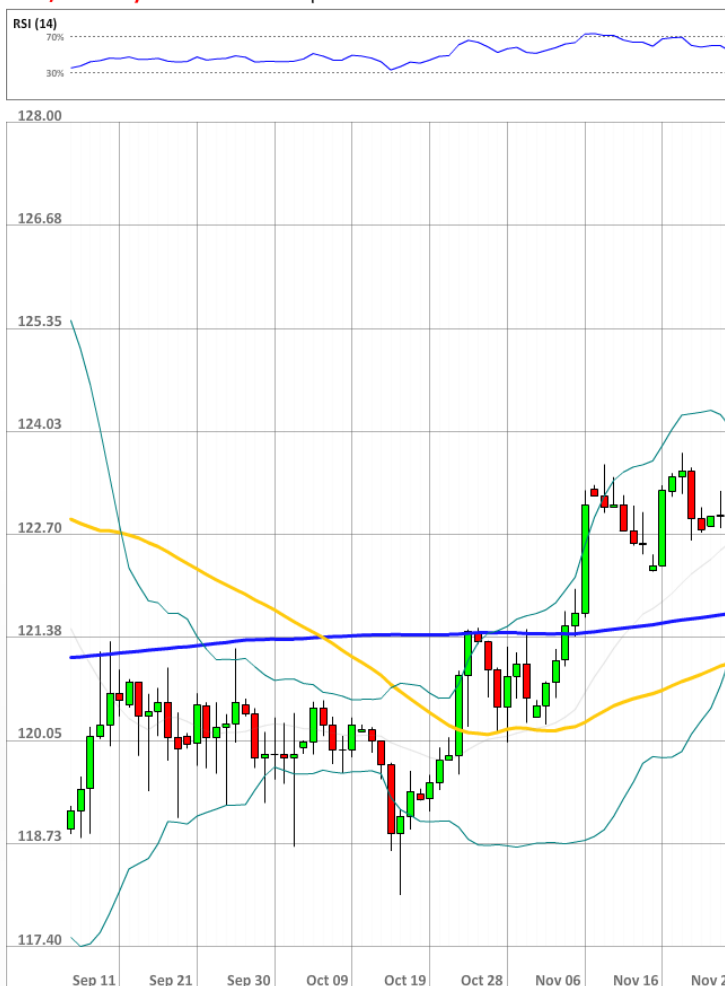
Traders' Sentiment

Bearish traders' sentiment returned to its Monday's level of 73%, whereas the number of purchase orders increased from 52 to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-40%	-50%	-46%
Orders (±50 pips)	-2%	-16%	12%	19%
Orders (±100 pips)	12%	4%	-6%	10%

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

USD/JPY Daily Chart Current price: 122.45



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.14			128
123.49		127	
122.91		125	125
122.50	125		
122.07		122	
121.76			123
121			

	Level	Rationale
■ Resistance 3	124.18/44	Bollinger band; weekly R2
■ Resistance 2	123.49/60	Monthly R2; weekly R1
■ Resistance 1	122.91	Weekly PP
■ Support 1	122.50/39	Up-trend; 20-day SMA
■ Support 2	122.07/04	Weekly S1; monthly R1
■ Support 3	121.76	100-day SMA

Gold's rally may extend beyond 1,080 on Wednesday



"Gold rose on flight-to-quality as investors sought protection from volatile financial markets in the wake of global stresses."

- HSBC (based on CNBC)

Pair's Outlook

The precious metal's development was subdued in course of Tuesday, with no strong impetus provided by any of American statistical data. On the other hand, political tensions between Russia and Turkey might give the safe-haven metal a reason for growth. The rally is being extended through Wednesday, with the bulls aiming at weekly PP (1,080). Closure and consequent consolidation above this mark should refocus market attention to 1,100 (monthly S1). Medium term outlook, however, expects a confident confirmation of July low from the metal's side.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, being that more than 74% of SWFX traders are holding long positions. However, risks are skewed to the downside as there is more free space for new bearish positions to be opened.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	48%	40%	44%	43%

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

XAU/USD Daily Chart Current price: 1078.62



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1113			
1105	1105		
1094			
1080		1083	
1070			
1062			1062
1048			

	Level	Rationale
■ Resistance 3	1,113	Weekly R2
■ Resistance 2	1,094/1,100	Weekly R1; 20-day SMA; monthly S1
■ Resistance 1	1,080	Weekly PP
■ Support 1	1,070	Jul low
■ Support 2	1,062/59	Weekly S1; monthly S2
■ Support 3	1,048/44	Weekly S2; 2010 low; 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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