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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD breached 2015 trend-line



"It seems that momentum is certainly on the side of being short the euro right now and long the dollar."
- Chapdelaine & Co (based on Bloomberg)

Pair's Outlook

EUR/USD prolonged a sell-off below the major upward-sloping 2015 trend-line. On top of that, the monthly S1 at 1.1022 was penetrated as well, but the cross managed to remain above the important psychological level of 1.10. The monthly S2, which is strengthened by the weekly S1, became exposed around the 1.0870 mark. We would allow for this level to limit first attempts to slump even lower. Rallies are likely to be capped by 200-day SMA/weekly PP at 1.1119. The market seems to be refocusing considerably to the downside at the moment.

Traders' Sentiment

The share of SWFX bullish open positions rose from 50% to 51% over the weekend. Meanwhile, pending commands in 100-pip range from the spot are distributed equally between the longs and shorts.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	0%	-14%	-9%
Orders (±50 pips)	16%	4%	4%	14%
Orders (±100 pips)	0%	-16%	6%	6%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	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	Buy	Sell
Alligator (13; 8; 5)	Buy	Buy	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

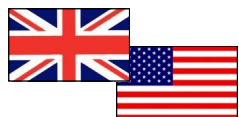
EUR/USD Daily Chart Current price: 1.1039



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1241	1.13		
1.1171			1.12
1.1119			
1.1022		1.11	
1.0879	1.09		
1.0808		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
■ Resistance 3	1.1241/44	55 and 20-day SMAs; monthly PP
■ Resistance 2	1.1171	100-day SMA
■ Resistance 1	1.1119/33	200-day SMA; weekly PP
■ Support 1	1.1022/12	Bollinger band; monthly S1
■ Support 2	1.0879/68	Weekly S1; monthly S2
■ Support 3	1.0808	Jul low

GBP/USD denied by 1.55



"We'll stay relatively strong in terms of U.K. data."
- Mizuho Bank Ltd. (based on FXStreet)

Pair's Outlook

Resistance at 1.55, created by the monthly R1 and 100-day SMA, proved to be a major level after the last two weeks of trading. A sell-off from there has already extended beyond the 200-day SMA, and most of the long-term technical indicators keep pointing south. Today we expect to see a lot of pressure on the monthly PP that in turn will be defending September's low. A breach of 1.53 will highly likely result in a re-test of the 1.51, which is the lowest level since this year's May.

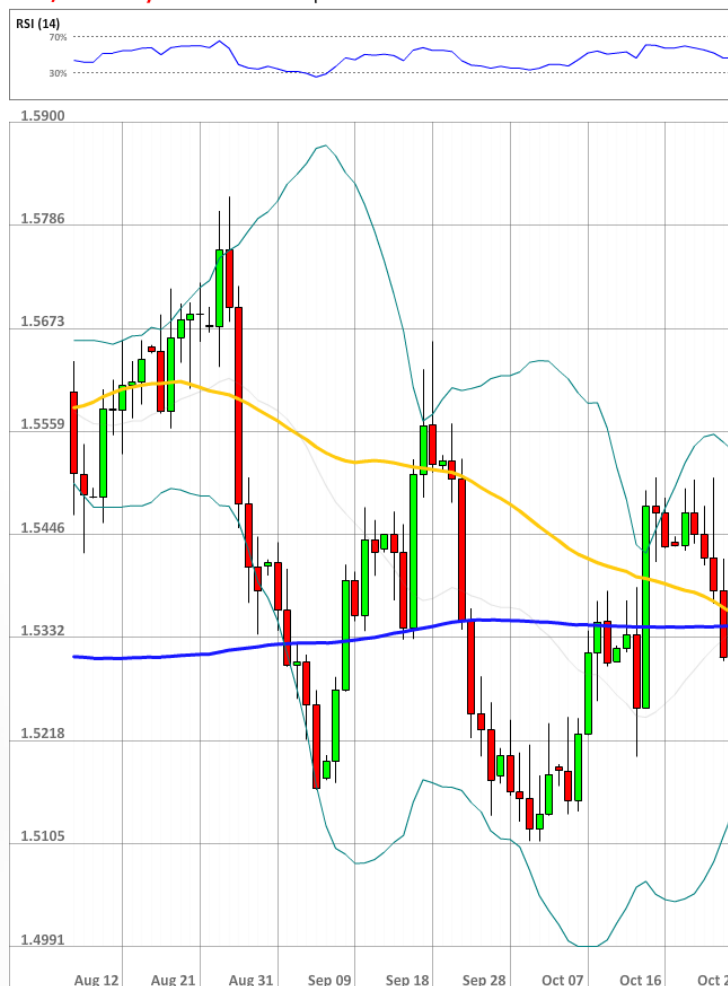
Traders' Sentiment

Although the percentage of bulls increased, the sentiment remains neutral, as the gap is merely 6 percentage points. Meanwhile, the share of buy orders plunged from 70 to 44%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	2%	6%	11%
Orders (±50 pips)	30%	-22%	-36%	-19%
Orders (±100 pips)	12%	-40%	-28%	-16%

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

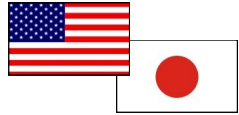
GBP/USD Daily Chart Current price: 1.5335



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5786		1.58	
1.5673			
1.5559		1.56	
1.5446			
1.5400	1.54	1.54	1.54
1.5374			
1.5331			
1.5311			
1.5241			
1.5185			
1.5105	1.51	1.51	1.51
1.4991			

	Level	Rationale
■ Resistance 3	1.5400	55-day SMA
■ Resistance 2	1.5374	Weekly PP
■ Resistance 1	1.5331	200-day SMA
■ Support 1	1.5311/1.5297	Monthly PP; 20-day SMA
■ Support 2	1.5241	Weekly S1
■ Support 3	1.5185/72	Weekly S2; 23.6% Fib

USD/JPY gains upward momentum



"As long as the possibility of a BOJ easing remains pervasive, it's difficult to assume a considerably higher yen."
- FPG Securities (based on MarketWatch)

Pair's Outlook

Not only did the currency pair manage to close above 120.50, but it also pierced the 200-day SMA last week, meaning we should expect the US Dollar to strengthen even more in the nearest future. The initial resistance is the monthly R1, followed by the 100-day SMA at 122 yen. Additional obstacles for the rally will be the monthly R2 at 122.66 and the rising resistance line at 123, which has been broken to the downside back in August. Meanwhile, we should be wary of the fact that the weekly studies stay bearish.

Traders' Sentiment

There has been a major shift in the attitude of traders towards USD/JPY. The portion of bulls dropped to 51%, while for the past month they had been taking up 70% or more of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	40%	40%	40%
Orders (±50 pips)	-18%	-46%	-2%	-5%
Orders (±100 pips)	10%	34%	-2%	11%

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

USD/JPY Daily Chart Current price: 121.06



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
128			128
127			127
125		125	125
123			123
122.24			
122.00		122	
121.27			
121.00	121		
120.70			
120.00			

Level	Rationale
Resistance 3: 122.24	Weekly R1
Resistance 2: 122.00	100-day SMA
Resistance 1: 121.27/18	Monthly R1; Bollinger band
Support 1: 121.00	200-day SMA
Support 2: 120.70	Weekly PP; 55-day SMA
Support 3: 120.00/119.90	Weekly S1; monthly PP; 20-day SMA

Gold unchanged amid lack of strong momentum



“U.S. dollar interest and option strikes at \$1,150 should weigh upon gold over the next couple of days.”
- MKS Group (based on CNBC)

Pair's Outlook

Even though the yellow metal's trading range was reaching \$20 per ounce on Friday, neither bulls nor bears eventually managed to take control of the market. Gains were being extended above the 200-day SMA and Aug high, but no consolidation took place. The near term outlook is therefore undecided with respect to the bullion. Only a confident spike above 1,173 would refocus our attention back to the north. From the other side, bears are targeting the 1,158/55 zone (20-day SMA/weekly S1), which is followed by even more important demand at 1,147/46 (monthly R1/weekly S2).

Traders' Sentiment

SWFX market sentiment with respect to the precious metal remained broadly unchanged for the past three weeks. During the weekend the share of bulls was flat at 52%, meaning that their advantage still remains very negligible right now.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	4%	2%	3%

Indicator/Period	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	Sell	Buy
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: 1165.11



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1177			
1173		1244	
1167			
1158	1150	1148	1150
1147			
1140			
1105			
1083			
1062			1062

	Level	Rationale
Resistance 3	1,177/81	Weekly R1; monthly R2
Resistance 2	1,173	200-day SMA
Resistance 1	1,167/70	Weekly PP; Aug high
Support 1	1,158/55	20-day SMA; weekly S1
Support 2	1,147/46	Monthly R1; weekly S2
Support 3	1,140/37	100 and 55-day SMAs

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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