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11/03/2016

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



Technical Analysis

EUR/USD soars to 1.1176 in volatile ECB session



“Draghi disappointed with his communication and some may need to amend their damaged positions.”
- Nomura International (based on Bloomberg)

Pair's Outlook

Markets finished the trading session yesterday in a slightly disappointing mood, which ultimately sent the EUR/USD cross as high as the second weekly resistance at 1.1176. However, intraday losses were extending to 1.0820, but Mario Draghi's hawkish comments changed in final state of affairs. As the weekly R2 managed to contain a rally, we can expect a setback from this supply on Friday. In case the pair closes anywhere above 1.1043 (200-day SMA) today, the outlook for the future will become much more bullish than at the moment.

Traders' Sentiment

A quite surprising Euro's move to the upside initiated some profit-taking in the SWFX market. Over Thursday the bullish share dropped to 47% from 49% a day earlier. On the back of that, pending orders switched into the green on the basis of 100 pips from the spot price.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-6%	-2%	6%	1%
Orders (±50 pips)	-14%	-22%	-14%	-7%
Orders (±100 pips)	6%	-12%	-16%	-7%

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

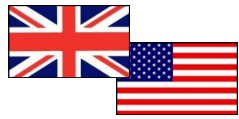
EUR/USD Daily Chart Current price: 1.1168



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1308			
1.1227			
1.1176			
1.1090			
1.1043			
1.0983			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
R3	1.1308	Weekly R3
R2	1.1227	Monthly R1; Bollinger band
R1	1.1176	Weekly R2
S1	1.1090	Weekly R1
S2	1.1043/21	200/20-day SMAs; monthly PP
S3	1.0983/58	55-day SMA; weekly PP

GBP/USD in tight range between 1.42 and 1.43



“While we believe the risk of an actual EU exit is not large, we acknowledge that the uncertainty surrounding the vote might negatively affect business confidence, in turn delaying private investments in the country.”
- Pioneer Investments (based on Business Recorder)

Pair's Outlook

Yesterday's ECB's rate decision had an impact on other currency pairs, such as the GBP/USD. The Cable recovered from its intraday low and ended the day with a 66-pip rally, closing near the 1.43 major level. The Sterling appears to be consolidating against the US Dollar this week, with the 1.42 psychological barrier supporting the pair from the downside, also bolstered by the 20-day SMA, the monthly and the weekly PPs, while the upper boundary is represented by the 1.43 mark. Consequently, the bearish momentum should prevail today, although a surge towards the immediate resistance, namely the 55-day SMA and the weekly R1 around 1.4370 is possible.

Traders' Sentiment

Bulls lost some numbers over the day, as 58% of all open positions are now long. The share of buy orders, however, inched up from 41 to 59%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	16%	20%	4%	13%
Orders (±50 pips)	10%	-16%	-32%	-2%
Orders (±100 pips)	18%	-18%	-26%	-2%

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

GBP/USD Daily Chart Current price: 1.4271



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.4503		1.56	1.56
1.4446	1.55		
1.4374			1.52
1.4168	1.51	1.51	
1.3962	1.49		
1.3833		1.48	
			1.47

	Level	Rationale
R3	1.4503/18	Bollinger band; weekly R2
R2	1.4446	Monthly R1
R1	1.4374/69	Weekly R1; 55-day SMA
S1	1.4168/05	20-day SMA; weekly and monthly PPs
S2	1.3962	Weekly S1
S3	1.3833	Bollinger band

Gold reaches new multi-month peaks



“Gold rallied after Draghi’s comment of ‘no need for further interest rate cuts’. The recent change in policy stance will support financial buying in gold.”

- Australia & New Zealand Banking Group (based on Bloomberg)

Pair’s Outlook

A broad buoyant sentiment pushed the precious metal to fresh 13-month highs by Friday morning. Yesterday the bullion’s selloff was successfully limited by the February uptrend below 1,240, and later moderately hawkish remarks by the ECB President Draghi resulted in a surge above 1,270. For now we see the weekly R1 as the first reliable resistance for the remaining 24 hours of this week’s trading, with monthly R1 at 1,295 acting as the second supply level. As daily and weekly technical indicators are mostly bullish, we assume that gradual price increases will stay in place.

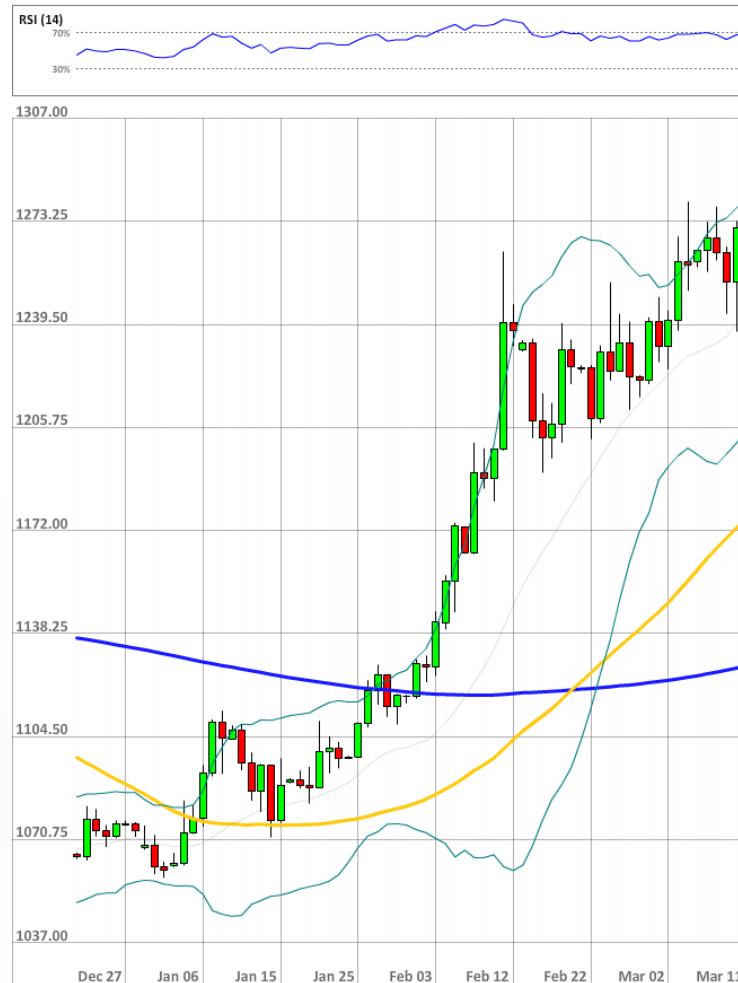
Traders’ Sentiment

The total percentage of bearish positions slipped to 58% from 59% about 24 hours ago, meaning our traders continue to prefer a selloff to growth.

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Open Positions	-16%	-18%	-16%	-20%

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

XAU/USD Daily Chart Current price: 1272.01



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1307			
1287			
1279			
1251			1250
1238			
1223			
	1206	1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,307 2015 high
R2	1,287/95 Weekly/monthly R1s
R1	1,279 Bollinger band
S1	1,251 Weekly PP
S2	1,238/34 Uptrend; 20-day SMA
S3	1,223 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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