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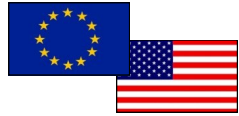
22/01/2016

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



# Technical Analysis

# EUR/USD aims at 1.08 after dovish ECB



*"Mario Draghi made it quite plain that given the recent drops on oil prices that the policy response in March will potentially have to change, replacing 'whatever it takes' with 'no limits'."*

- CMC Markets UK (based on WBP Online)

## Pair's Outlook

EUR/USD attempted to violate the 1.08 support zone yesterday after soft comments made by the ECB President Draghi. The pair pulled back to 1.0870 by the end of trading, but today the second wave of selling is possible. As long as the pair keeps trading within triangle, the outlook will remain neutral, as suggested by daily technical indicators. In case 55-day SMA and monthly PP are crossed, the next effective demand will be offered by the monthly S1 at 1.0565. Key resistance remains 1.0978/1.1051 (100/200-day SMAs).

## Traders' Sentiment

SWFX bears remain in the majority of 55% for open positions. At the same time, more than 50% of all pending orders in 50-pip range from the spot are now set to acquire the Euro, even though 100-pip commands remain 55% short.

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

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

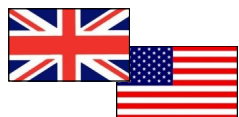
EUR/USD Daily Chart Current price: 1.0834



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1051			
1.0968			
1.0875			1.1
1.0825	1.08	1.08	
1.0772			
1.0721			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
Resistance 3	1.1051 200-day SMA
Resistance 2	1.0968/98 Trend-line; Bollinger band; weekly R1; 100-day SMA
Resistance 1	1.0875/1.0901 Weekly PP; 20-day SMA
Support 1	1.0825/12 55-day SMA; weekly S1; monthly PP
Support 2	1.0772 Bollinger band
Support 3	1.0721 Weekly S2

# GBP/USD on the edge of closing below 1.41



*"The pound has tumbled this year and, based on both fundamentals and valuations, we believe this depreciation is excessive."*

- BlackRock (based on Bloomberg)

## Pair's Outlook

The Cable managed to climb 31 pips higher yesterday, despite having dropped to the lowest in six years earlier that day. Even though the pair has been recovering for the past two days, risk of it slumping today and piercing the weekly S1 increased. As a result, the GBP/USD could even put the monthly S3 to the test, while bearish technical indicators are bolstering the possibility of the negative outcome. However, a positive surprise in fundamental data could also trigger a rally, with the Pound confirming the down-trend, which in turn is bolstered by the weekly PP and the monthly S2.

## Traders' Sentiment

Bulls grew in numbers, as 67% of all open positions are now long. Meanwhile, the portion of buy orders added 22% points up to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	34%	24%	26%	27%
Orders (±50 pips)	2%	-34%	8%	-15%
Orders (±100 pips)	8%	-36%	-14%	-19%

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

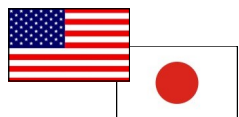
GBP/USD Daily Chart Current price: 1.4221



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55		1.52	
1.51	1.51		
1.49			
1.4725			
1.4494			
1.4345			
1.4142			
1.4053			
1.3709			
	1.48	1.47	

Level	Rationale
Resistance 3 (1.4725)	Weekly R2
Resistance 2 (1.4494/1.4567)	Weekly R1; 20-day SMA; monthly S1
Resistance 1 (1.4345/90)	Down-trend; weekly PP; monthly S2
Support 1 (1.4142)	Weekly S1
Support 2 (1.4053/21)	Monthly S3; Bollinger band; weekly S2
Support 3 (1.3709)	Weekly S3

## USD/JPY rises on QQE speculation



*"I think the BOJ knows the logic of a selloff at the time of a risk-off mood, no need to go out of its way to ease when the market is overshooting."*

- Bank of Tokyo-Mitsubishi UFJ (based on Market Watch)

### Pair's Outlook

The US Dollar unexpectedly outperformed the Japanese Yen on Thursday, amid rumours of the BoJ applying more monetary stimulus. The USD/JPY was able to erase this week's losses, with the bullish trend prevailing earlier today as well. As a result, the Greenback could also negate previous week's losses if it managed to pierce the weekly R1 level just above 118.00. The pair has the potential to rise to 118.46, where the 20-day SMA rests; however technical studies suggest a sell-off is possible, with the immediate support cluster doubtfully limiting the dips.

### Traders' Sentiment

Today 71% of traders are short the Buck, compared to 70% on Thursday. The share of purchase orders increased from 34 to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-42%	-40%	-24%	-29%
Orders (±50 pips)	-4%	24%	44%	-12%
Orders (±100 pips)	8%	-32%	-2%	-10%

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)	Sell	Sell	Buy
CCI (14)	Neutral	Buy	Neutral
AROON (14)	Sell	Sell	Buy
Alligator (13; 8; 5)	Sell	Neutral	Buy
SAR (0.02; 0.2)	Sell	Sell	Buy

USD/JPY Daily Chart Current price: 118.03



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125		
123		123	
122			122
119.93			
118.93			
118.06			
117.63			
116.19			
115.41			

	Level	Rationale
■ Resistance 3	119.93	Weekly R3
■ Resistance 2	118.93/119.15	Monthly S1; weekly R2
■ Resistance 1	118.06/46	Weekly R1; 20-day SMA
■ Support 1	117.63/28	Monthly S2; weekly PP
■ Support 2	116.19/115.85	Weekly S1; Bollinger band; 2015 low
■ Support 3	115.41/26	Weekly S2; monthly S3

# Gold: negative outlook below 1,104/08



*"A gold-bull market that relies too heavily on safe-haven related demand may not be sustainable in the long run."*  
- HSBC (based on CNBC)

## Pair's Outlook

Near-term outlook for gold is moderately bearish. We see the formidable resistance zone ahead of the bullion, represented by 100-day SMA and Jan 8-20 downtrend at 1,104/08. Any close above here should trigger a rally, but the bulls are likely to struggle at 1,126/32 (monthly R3/200-day SMA). On the bearish side, we would allow for a selloff down to 1,087 (20-day SMA and monthly R1), followed by two-month uptrend and 55-day SMA at 1,076. A drop below here will increase downside pressure on gold in the mid-term, but some support should be in place at 1,065 (monthly PP) and at 1,046 (2015 low) later.

## Traders' Sentiment

Advantage of long traders has been unchanged over the last 48 hours, as they continue holding about 55% of all open transactions in the SWFX market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	10%	12%	10%

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

XAU/USD Daily Chart Current price: 1098.75



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			
1206		1200	
1126		1125	1125
1116			
1104	1100		
1089			
1076	1071		
1070			
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,126/32	Weekly R2; monthly R3; 200-day SMA
■ Resistance 2	1,116	Bollinger band
■ Resistance 1	1,104/07	Oct 2015 low; 100-day SMA; weekly R1; monthly R2
■ Support 1	1,089/84	Weekly PP; 20-day SMA; monthly R1
■ Support 2	1,076	55-day SMA
■ Support 3	1,070	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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