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



Technical Analysis

EUR/USD touches downtrend at 1.13 after Yellen



“The actual U.S. dollar decline has been more dramatic than we expected.”
- Commonwealth Bank (based on Bloomberg)

Pair's Outlook

EUR/USD became pretty much buoyant on Tuesday after dovish remarks by the Fed Chair Janet Yellen. Initial resistance area was penetrated relatively easily, while successful testing of the weekly R1 at 1.1250 paved the way for a surge up to 1.13. Daily technical indicators suspect the pair will extend the rally until the second supply zone for today at 1.1340. There we have got the current March high, weekly R2 and another downtrend line. In case the advance is not contained, the attention will then switch to the Feb high at 1.1377. Future dips have to be temporarily capped by the 55-day SMA at 1.1063.

Traders' Sentiment

For the moment about 43% of all positions are bullish, down from 46% on Tuesday. However, almost 60% of pending orders in both 50/100-pip ranges are still set to acquire the Euro.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-14%	-8%	-14%	-14%
Orders (±50 pips)	18%	16%	-18%	9%
Orders (±100 pips)	16%	6%	-2%	6%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Buy
RSI (14)	Sell	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)	Buy	Neutral	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell
Aggregate	↗	↗	↘

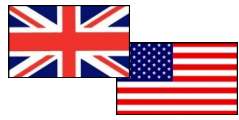
EUR/USD Daily Chart Current price 1.1299



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1377			
1.1334			
1.1302			
1.1250			
1.1227			
1.1172			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
R3	1.1377/90 February high; Bollinger band; weekly R3
R2	1.1334/42 Downtrend; weekly R2; Mar 17 high
R1	1.1302 Downtrend
S1	1.1250 Weekly R1
S2	1.1227/1.1197 Weekly PP; 23.6% Fib; monthly R1
S3	1.1172 20-day SMA

GBP/USD attempts to climb over 1.44



“Such a cautious [Fed] stance suggests a rate hike in April is unlikely, and there are increased doubts that the Fed will be ready to move in June.”
- Westpac (based on CNBC)

Pair's Outlook

On Tuesday the British currency gained 130 pips against the US Dollar, surging due to Fed Yellen's dovish statement. Sufficient supply in face of the weekly R1 caused the Cable to close trade just under the 1.44 major level, but the GBP/USD currency pair now has the potential to edge higher. In case the weekly R1 is breached, the next target will be the monthly R1 and the Bollinger band around 1.4465. However, technical studies retain their mixed signals, suggesting that a possibility of a the Sterling retreating towards the 1.43 mark persists, with the 20 and 55-day SMAs preventing the Pound from falling deeper down.

Traders' Sentiment

Bulls gave in today, as there are now 48% of open positions, compared to 63% on Tuesday. At the same time, the number of orders to acquire the Cable dropped from 56 to 43%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-4%	26%	26%	17%
Orders (±50 pips)	-14%	16%	6%	5%
Orders (±100 pips)	-14%	12%	12%	3%

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

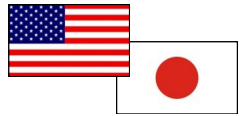
GBP/USD Daily Chart Current price 1.4379



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51			1.52
1.49	1.51	1.51	
1.4589			
1.4446			
1.4393			
1.4274			
1.4141			
1.4062			

Level	Rationale
R3	1.4589/1.4641 100-day SMA; weekly R2
R2	1.4446/86 Monthly R1; Bollinger band
R1	1.4393 Weekly R1
S1	1.4274/25 20 and 55-day SMAs; weekly PP
S2	1.4141 Monthly PP
S3	1.4062 Bollinger band

USD/JPY en route to 112.00



"After last week's comments from Fed officials who suggested that rates could be raised in April, dollar bulls hoped that Yellen would confirm their less dovish posture."
- BK Asset Management (based on Business Recorder)

Pair's Outlook

Fed Yellen's statement yesterday caused the USD/JPY currency pair to fall back under the 113.00 level, therefore, preserving the descending channel pattern. As was anticipated, the dips were limited by the weekly PP, but with the Buck now under pressure, this pivot point is expected to be pierced. Consequently, the Buck could sustain sharper losses and close under 112.00, as the closest support is located only around 111.60, represented by the weekly S1 and the Bollinger band. The outlook is that the given pair should keep falling towards the channel's lower border around 110.50. A failure to break through the weekly PP is likely to cause a short-term recovery towards 113.24.

Traders' Sentiment

There are 72% of traders being long the Greenback, opposed to 71% on Tuesday. Meanwhile, the share of sell orders increased from 50 to 55%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	44%	42%	48%	45%
Orders (±50 pips)	-12%	-12%	-10%	-4%
Orders (±100 pips)	-10%	0%	-26%	-6%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Buy	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Sell	Sell
CCI (14)	Neutral	Neutral	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 112.29



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

Level	Rationale
R3	113.85 Weekly R1
R2	113.27 Down-trend
R1	112.86 20-day SMA
S1	112.53 Weekly PP
S2	111.75/43 Weekly S1; Bollinger band
S3	110.60/43 Down-trend; weekly S2

Gold price soars beyond resistance at 1,227/34



“Gold bugs might like to stay bullish, they are not foolish and would like to take profit from the recent rally.”
- Wing Fung Financial Group (based on Bloomberg)

Pair's Outlook

Along with tumbling US currency, the bullion skyrocketed the most in two weeks yesterday. Prices pierced through the immediate resistance area of 1,227/34 and encountered the Feb-Mar uptrend line at 1,240. We would allow for a short-term selloff today as a part of post-growth correction lower. Outlook for the future remains depressed, as the rebound looks unsustainable. A spike above the first weekly resistance and March 23 high (1,247) should improve expectations, but daily technical studies generally think that the best option to choose on Wednesday is the wait-and-see mode.

Traders' Sentiment

Active trading conditions and ultimate gains for XAU/USD forced a closure of many bullish open trades. Therefore, a negative gap between the bulls and bears widened to 22% by Wednesday morning, up from only six pp 24 hours ago.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-22%	-6%	-30%	-24%

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

XAU/USD Daily Chart Current price 1237.40



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1268			
1263			
1247			1250
1234			
1205	1206	1200	
1199			
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,268 Bollinger band
R2	1,263 February high
R1	1,247 Weekly R1
S1	1,234/27 Weekly S1; 23.6% Fib; 20-day SMA
S2	1,205/01 Monthly PP; Bollinger band
S3	1,199/96 Weekly S1; 55-day SMA; 38.2% Fib

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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