



DUKASCOPY
RESEARCH PRODUCTS

08/10/2015

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



Technical Analysis

EUR/USD in limbo around 1.1250



"If we're dealing with a global demand shock emanating from China, the euro zone, and Germany in particular, could be quite badly exposed."

- Credit Agricole (based on Bloomberg)

Pair's Outlook

The outlook for the EUR/USD currency pair remains unclear for the time being as neither bulls nor bears are still able to overtake leadership of the market. Yesterday the cross remained capped by the 50% Fibonacci retracement of the Jan-Mar 2015 downtrend at 1.1280. On the other hand, demand is being created by monthly and weekly pivot points at 1.1241/20, as well as the 20-day SMA between them. While daily technical studies are giving mixed signals, we are also going to take a neutral approach with respect to EUR/USD's nearest future.

Traders' Sentiment

The share of bulls was unchanged at 49% in the past 24 hours, while long pending orders in 100-pip range from the spot price improved further from 52% to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-2%	-2%	2%	2%
Orders (±50 pips)	6%	-4%	-6%	-5%
Orders (±100 pips)	8%	4%	0%	-8%

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

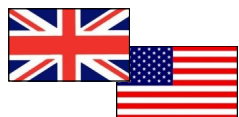
EUR/USD Daily Chart Current price: 1.1256



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.1371			
1.1305			
1.1280			
1.1241			
1.1175			
1.1122			
	1.1	1.1	
	1.08		1.09
		1.07	
	1.05		1.05
		1.04	
			1.03

	Level	Rationale
Resistance 3	1.1371	Bollinger band
Resistance 2	1.1305	Weekly R1
Resistance 1	1.1280	50% Fib
Support 1	1.1241/20	Weekly and monthly PP; 20-day SMA
Support 2	1.1175/43	200, 100 and 55-day SMAs
Support 3	1.1122	Weekly S1

GBP/USD muted, awaits interest rate decisions



"The US should wait to raise policy rates until there are further signs of inflation rising steadily, with continued strength in the labor market."

- IMF (based on WBP Online)

Pair's Outlook

The Cable prolonged its rally for another day on Wednesday, reaching the target resistance cluster around 1.53. The Sterling opened trade today in between the mentioned cluster's levels, with more of those supporting the pair. Even though the pair should extend its rally, risks of returning back to 1.52 persist, due to fundamental market movers. Technical studies also provide no insight on the GBP/USD's movement today, although the weekly signals remain bearish. In case of a sharp USD selloff, the Pound could retake 1.54 level and even reach the 100-day SMA near 1.55.

Traders' Sentiment

Today 62% of traders hold long positions, compared to 64% yesterday. The share of buy orders also worsened, from 59 to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	24%	28%	22%	24%
Orders (±50 pips)	12%	18%	10%	7%
Orders (±100 pips)	8%	18%	10%	9%

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

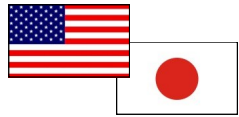
GBP/USD Daily Chart Current price: 1.5309



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.5875			1.58
1.5764		1.57	
1.5654	1.56		
1.5543			1.55
1.5433	1.54	1.54	
1.5322			
1.5211	1.52		
1.5101		1.51	1.51
1.4990			

Level	Rationale
Resistance 3: 1.5439	55-day SMA
Resistance 2: 1.5379	Weekly R3
Resistance 1: 1.5318	200-day SMA
Support 1: 1.5310/1.5297	Weekly R2; 20-day SMA; monthly PP
Support 2: 1.5245	Weekly R1
Support 3: 1.5185/76	23.60% Fib; weekly PP

USD/JPY anchored around 120, Fed rate hike in sight



"Downside risks to USD/JPY should be limited thanks to expectations for easing."
- Nomura (based on FXStreet)

Pair's Outlook

The USD/JPY dropped to the support cluster at 119.80 yesterday, which caused the pair to retreat back above the 120.00 major level. Nevertheless, the Buck is likely to fall even deeper today, amid rising concerns of the Fed's rate hike delay. A dovish tone might push the Greenback all the way down to the 118.50 mark, as that area kept the US Dollar from edging lower for more than seven months. Contrariwise, any reassurance of a 2015 rate hike should boost the Buck, helping it elevate to 121.00

Traders' Sentiment

Market sentiment remains bullish, with 72% of all positions being long, down from 73% yesterday. The portion of purchase orders dropped down as well, now taking up 55% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	46%	40%	36%
Orders (±50 pips)	-16%	24%	-60%	1%
Orders (±100 pips)	10%	28%	-20%	12%

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	Sell	Buy
CCI (14)	Neutral	Neutral	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: 119.85



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
129			129
128			127
126			
125	125	125	125
124			
123			
121.27			
120.69			
120.15			
119.93			
118.83			
117.80			

Level	Rationale
Resistance 3: 121.27	Monthly R1
Resistance 2: 120.69/87	Bollinger band; weekly R1; 200-day SMA
Resistance 1: 120.15	20-day SMA
Support 1: 119.93/61	Monthly and weekly PPs; Bollinger band
Support 2: 118.83/53	Weekly and monthly S1s
Support 3: 117.80	Weekly S2

Gold trades range bound above 100-day SMA



"We have to suspect that as U.S. macro data starts to deteriorate, the dollar will likely continue to weaken from here, providing further upside to impetus for gold."

- INTL FCStone (based on CNBC)

Pair's Outlook

On Tuesday and Wednesday the bullion repeated development seen on Friday and Monday, respectively. Following a strong advance two days ago, gold remained broadly unchanged in the past 24 hours. It seems that narrow trading boundaries are being built by the monthly R1 at 1,147 and 100-day SMA, currently at 1,142. A failure at the latter level would expose a strong demand zone at 1,130/32. From the other side of the coin, only a spike above 1,155 (Aug 24 high/weekly R1) can affirm any of bullish intentions among market participants.

Traders' Sentiment

For the past four working days the share of SWFX bullish open positions has remained largely stable, while yesterday their portion added only one percentage point from 52% to 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	4%	4%	4%

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

XAU/USD Daily Chart Current price: 1143.71



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1170		1255	1250
1151/1147			
1142			
1132		1173	1197
1123			
1109		1111	
		1091	

	Level	Rationale
Resistance 3	1170	Aug 24 high
Resistance 2	1151/60	50% Fibo; Bollinger band; weekly R1; Sep high
Resistance 1	1147	Monthly R1
Support 1	1142	100-day SMA
Support 2	1132/30	38.2% Fibo; 2014 low; weekly PP; 20-day SMA
Support 3	1123	Monthly PP

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



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.