



**DUKASCOPY**  
RESEARCH PRODUCTS

14/01/2016

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



# Technical Analysis

# EUR/USD anchored by December downtrend



*“On the FX side, the dollar was better bid against commodity currencies. The euro gained as well since it has been performing well lately in times of stress.”*  
- Jefferies (based on Reuters)

## Pair's Outlook

On Wednesday the most popular FX cross was testing the 1.08 area, which is reinforced by 55-day SMA at monthly pivot point. However, by the end of American trading the pair bounced off to close near 20-day SMA at 1.0880. The short-term action is still estimated to be bearish, given that EUR/USD keeps hovering under the two-month trend-line. By violating that crucial 1.08 zone, the pair will be exposed to a selloff down to 1.0750 (lower Bollinger band), followed by another downtrend at 1.0650. Such a case is presently expected by weekly/monthly technical indicators.

## Traders' Sentiment

Yesterday the share of long traders went up from 45% to 46%, while commands to acquire the single European currency jumped above 50% in both narrow and wide ranges from the current market price.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-8%	-10%	-18%	-12%
Orders (±50 pips)	4%	2%	-32%	-13%
Orders (±100 pips)	6%	-8%	-28%	-12%

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

EUR/USD Daily Chart Current price: 1.0880



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1045			
1.0989			
1.0907			1.1
1.0871			
1.0826	1.08	1.08	
1.0774			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.1045	200-day SMA
■ Resistance 2	1.0989/1.1009	Bollinger band; 100-day SMA; weekly R1
■ Resistance 1	1.0907	Downtrend
■ Support 1	1.0871/60	20-day SMA; weekly PP
■ Support 2	1.0826/08	55-day SMA; monthly PP; July 2015 low
■ Support 3	1.0774/54	Weekly S1; Bollinger band

# GBP/USD subdued ahead of BoE's decision



*"We expect no change from the BoE at Thursday's meeting and no signals that a change is imminent either."  
- Bank of America Merrill Lynch (based on PoundSterlingLive)*

## Pair's Outlook

The British currency extended its bearish trend for another day yesterday, but with the immediate support cluster limiting the losses just above 1.44. The GBP/USD is now under the risk of breaching the monthly S2, with a sell-off towards the six-year low likely to be triggered afterwards. However, as the Pound is expected to react positively on today's interest rate decision and reverse the trend, after having fallen for more than two weeks. Immediate resistance, namely the weekly S1, does not play an important role in limiting the gains today; thus, the 1.45 level might be retaken.

## Traders' Sentiment

Bulls remain strong, as 63% of all open positions are long. The share of sell orders remains unchanged at 57% for the third day in a row.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	26%	24%	28%	25%
Orders (±50 pips)	2%	8%	30%	10%
Orders (±100 pips)	-14%	-14%	16%	5%

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

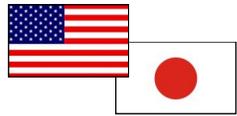
GBP/USD Daily Chart Current price: 1.4400



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5429	1.55		
1.5258			1.52
1.5086	1.51	1.51	
1.4915	1.49		
1.4744		1.48	
1.4573			1.47
1.4401	1.4615		
1.4230	1.4567		
	1.4414		
	1.4390		
	1.4306		
	1.4230		

	Level	Rationale
■ Resistance 3	1.4615	Weekly PP
■ Resistance 2	1.4567	Monthly S1
■ Resistance 1	1.4414	Weekly S1
■ Support 1	1.4390/73	Monthly S2; Bollinger band
■ Support 2	1.4306	Weekly S2
■ Support 3	1.4230	2010 low

# USD/JPY on the verge of breaking the up-trend completely



*"It is hardly surprising that safe-haven currencies like the yen are under pressure. However, it is questionable how long this risk appetite will last."*

- Commerzbank (based on CNBC)

## Pair's Outlook

Even though the USD/JPY currency pair remained relatively unchanged on Wednesday, its four-pip rally still confirmed the up-trend. The outlook, therefore, remains unchanged, as the Buck should follow the trend and appreciate against the Yen again today. The up-trend is also supported by the monthly S2, creating a cluster around 117.65, while the closest resistance is represented by the weekly PP at 118.30. However, risks of edging lower persist, as technical studies retain their bearish signals; along with weak fundamentals, price could be pushed down to 117.20 or even lower.

## Traders' Sentiment

Today 61% of traders are short the US Dollar (previously 59%), whereas sell orders are now outnumber the buy ones by 4% points.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-22%	-18%	-12%	-18%
Orders (±50 pips)	-10%	-48%	0%	-4%
Orders (±100 pips)	-4%	-26%	6%	4%

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

USD/JPY Daily Chart Current price: 117.63



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
119.38			128
118.93	127	127	
118.30	125	125	125
117.68		123	
116.56	122		122
116.14			

	Level	Rationale
■ Resistance 3	119.38/59	Weekly R1; 20-day SMA
■ Resistance 2	118.93	Monthly S1
■ Resistance 1	118.30	Weekly PP
■ Support 1	117.68/63	Up-trend; monthly S2
■ Support 2	116.56	Bollinger band
■ Support 3	116.14/115.85	Weekly S1; 2015 low

# Gold meets resistance at 1,092 as correction is looming



*"The selloff in riskier assets is boosting short-term demand for bullion. We think the Fed will continue its moderate approach to increasing interest rates."*

- Huatai Great Wall Futures Co. (based on Bloomberg)

## Pair's Outlook

The precious metal bounced off a strong 1,084 support cluster yesterday, while nearing the weekly pivot point at 1,092 by the end of Wednesday trading. Such a move was mainly prompted by reversed gains on stock markets across the world. More uncertainty should support gold in the mid-term, as the bulls could try to reclaim the 1,100 psychological mark. This scenario is encouraged by daily technical indicators. Otherwise, however, the bears are still setting eye on 20/55-day SMAs and the monthly R1 at 1,084/79.

## Traders' Sentiment

The total number of long open positions in the SWFX market changed marginally yesterday, as it recovered one percentage point from 54% to 55% it had lost one day before.

XAU/USD Daily Chart Current price: 1092.05



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1125			1125
1100	1100		
1071			
1048			
1037			1037

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	8%	6%	9%

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

	Level	Rationale
■ Resistance 3	1,104/07	Oct 2015 low; 100-day SMA; monthly R2
■ Resistance 2	1,098	Sep 2015 low
■ Resistance 1	1,092	Weekly PP
■ Support 1	1,084	Monthly R1
■ Support 2	1,080/79	55/20-day SMAs
■ Support 3	1,072	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



**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.