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



Technical Analysis

EUR/USD to retest resistance cluster at 1.08



"They put a lot of caveats in their liftoff. It's a theme that may haunt the dollar."
- FXCM (based on Reuters)

Pair's Outlook

After FOMC meeting minutes said that a rate hike decision was "a close call", market participants decided to sell the Dollar on Wednesday. Gains are being prolonged on Thursday at the moment of writing, with EUR/USD attempting to attack the busiest resistance zone at 1.08. However, another obstacle is represented by 55-day SMA at 1.0836, followed by 20-day SMA at 1.0861. Within the bearish pattern, the pair is capable of growing as high as weekly R1 near 1.0950, while the medium-term forecast still remains bearish, as suggested by technical indicators on all time frames.

Traders' Sentiment

The percentage bullish SWFX trades dipped from 43% to 41% by Thursday morning, while both 50 and 100-pip pending orders are still set to sell the Euro in more than 60% of all cases.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-18%	-14%	-14%	-14%
Orders (±50 pips)	-32%	-28%	-30%	-15%
Orders (±100 pips)	-28%	-34%	-14%	-13%

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

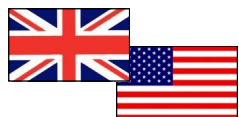
EUR/USD Daily Chart Current price: 1.0795



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.0948			1.1
1.0900			
1.0808			
1.0761	1.08	1.08	
1.0717			
1.0669			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.0948	Weekly R1; December downtrend
Resistance 2	1.09	Weekly PP
Resistance 1	1.0808/58	Monthly PP; weekly S1; July 2015 low; 55/20-day SMAs
Support 1	1.0761	Weekly S2
Support 2	1.0717	Bollinger band
Support 3	1.0669	Weekly S3

GBP/USD on the edge of falling to 2015 low



"More and more, we see a certain level of discomfort among the Fed regarding the strength of the dollar."
- Toronto-Dominion Bank (based on Bloomberg)

Pair's Outlook

A much stronger-than-anticipated ADP data on Tuesday contributed to the Cable's weakness that day, pushing the pair to retest the 1.46 level. Nonetheless, another decline is likely to be short-lived, as the GBP/USD is now supported by a strong cluster around the 2015 low of 1.4565, represented by the weekly S2; monthly 2 and the Bollinger band. Due to the lack of sufficient downward momentum a breach is not yet expected; however, although a rebound is possible, the weekly S1 at 1.4668 is to provide resistance and prevent the Sterling from climbing too high.

Traders' Sentiment

Today 64% of traders hold long positions (compared to 62% yesterday), while the share of buy orders inched up from 57 to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	24%	30%	28%
Orders (±50 pips)	30%	24%	-2%	8%
Orders (±100 pips)	16%	14%	6%	14%

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

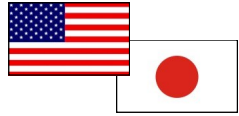
GBP/USD Daily Chart Current price: 1.4611



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.52			1.52
1.51	1.51	1.51	
1.49			
1.48		1.48	
1.47			1.47
1.4668			
1.4593			
1.4459			
1.4390			

Level	Rationale
Resistance 3: 1.4878/1.4903	Weekly R1; 20-day SMA; monthly PP
Resistance 2: 1.4802	Weekly PP
Resistance 1: 1.4668	Weekly S1
Support 1: 1.4593/60	Weekly S1; monthly S2; 2015 low; Bollinger band
Support 2: 1.4459	Weekly S3
Support 3: 1.4390	Monthly S2

USD/JPY on the brink of plunging to 4.5-month low



“After JPY short positions are unwound, USD/JPY depreciation should slow. In addition, mid-term flows remain large net JPY selling in 2016, in our view. From a supply-demand perspective, we see only limited downside risks for USD/JPY from the current level.”
- Nomura (based on FXStreet)

Pair's Outlook

Even a positive reading of the employment data Tuesday was insufficient to help the USD/JPY recover. However, because of that data the pair failed to drop as low as Oct 2015 low, but another devaluation of the Yuan today triggered a buying spree of safe haven currencies, such as the Yen, pushing the Greenback down to 117.63. The Oct 2015 low might still be sufficient to limit intraday losses, but the key support is the monthly S2 at 117.63, a breach of which is to set the USD/JPY on the path to a one-year low of 115.85.

Traders' Sentiment

The gap between bulls and bears keeps narrowing, as 44% of traders are now long the Buck, while the remaining 56% are short. At the same time, the portion of buy orders edged down 6% points to 53%.

USD/JPY Daily Chart Current price: 118.00



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125		125
123		123	
122	122		122
120.29			
119.64			
118.93			
118.32			
117.63			
115.85			

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-20%	-18%	-24%
Orders (±50 pips)	0%	10%	18%	5%
Orders (±100 pips)	6%	18%	22%	15%

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

	Level	Rationale
Resistance 3	120.29/58	Weekly PP; 20-day SMA; weekly R1
Resistance 2	119.64/93	Weekly S2; weekly S1
Resistance 1	118.93/119.29	Monthly S1; weekly S3
Support 1	118.32/06	Bollinger band; Oct 2015 low
Support 2	117.63/54	Monthly S2; up-trend
Support 3	115.85	2015 low

Gold skyrockets to probe 1,100



“Gold continued to climb with rising safe-haven demand amid the rebound in market volatility. Rising equities losses and surprising devaluation of the yuan are painting a positive picture for gold.”
- ANZ (based on CNBC)

Pair's Outlook

A rally for the bullion is taking place for a fourth consecutive day on Thursday. Yesterday we saw the sharpest climb in a month, after prices went through two vital resistance areas near 1,085 and 1,091. The first obstacle was more important, as it was reinforced by 55-day SMA, weekly R2 and monthly R1. Now the main focus is turning to the psychological level of \$1,100 per ounce. It is guarded by the monthly R2 and 100-day SMA around 1,108, followed by the monthly R3 at 1,127. Nonetheless, the daily RSI indicator is already assuming the precious metal is somewhat overbought at the moment.

Traders' Sentiment

Only six percentage points are now dividing the bulls from bears in the SWFX market. The former are holding only 53% of all open positions, down from 54% we had observed 24 hours ago.

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

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

XAU/USD Daily Chart Current price: 1097.72



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1127		1125	1125
1107			
1098	1100		
1096			
1085			
1074	1071		
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,127	Monthly R3
■ Resistance 2	1,107/09	Monthly R2; 100-day SMA
■ Resistance 1	1,098/1,104	Sep/Oct 2015 lows
■ Support 1	1,096/91	Bollinger band; weekly R3
■ Support 2	1,085/84	Weekly R2; monthly R1; 55-day SMA
■ Support 3	1,074/70	Weekly R1; 20-day SMA; Jul 2015 low

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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