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



# Technical Analysis

## EUR/USD is flat at 1.0930 before NY holidays



*"Some short euro positions are still being squared in the marketplace."*

- Macquarie Ltd (based on Reuters)

### Pair's Outlook

Disappointing fundamental reports from both Europe and US resulted in no change for the EUR/USD currency pair on Wednesday. It kept hovering around the weekly pivot point at 1.0930. Besides this technical level, there is a vital demand area below the spot at 1.09. It is created by 55/20-day SMAs, weekly S1 and monthly R1 support lines, meaning any sell-off will not be an easy task for the Euro. A rally, in turn, can be extended through 1.10 in the mid-term where both the upper Bollinger band and weekly R1 lie.

### Traders' Sentiment

The bears continue outperforming bulls in terms of open positions by a margin of 57% to 43%. However, for now only 29% and 36% (35% and 43% yesterday) of the commands are set to acquire the Euro in 50 and 100-pip ranges from the spot, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-14%	-12%	-11%
Orders (±50 pips)	-42%	-30%	-20%	-16%
Orders (±100 pips)	-28%	-14%	-8%	-18%

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)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

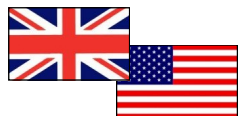
EUR/USD Daily Chart Current price: 1.0930



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1044			
1.1003			
1.0932			1.1
1.0903			
1.0808	1.08	1.08	
1.0751			
	1.05	1.05	1.05
	1.03		
		1.01	1.02

	Level	Rationale
Resistance 3	1.1044/68	200/100-day SMAs; weekly R2
Resistance 2	1.1003/16	Bollinger band; 50% Fibo; weekly R1
Resistance 1	1.0932	Weekly PP
Support 1	1.0903/1.0880	55/20-day SMAs; 38.2% Fibo; monthly R1; weekly S1
Support 2	1.0808/1.0795	July low; weekly S2; Bollinger band
Support 3	1.0751/24	23.6% Fibo; weekly S3; monthly PP

## GBP/USD under the risk of falling 1.48



*"Since the UK will hold a referendum of Brexit and low inflation may prompt the BoE to defer its first rate hike to Q2 2017, Citi analysts revised down GBP/USD 0-3 month forecast from 1.50 to 1.49."*

- Citibank (based on ExchangeRates.org.uk)

### Pair's Outlook

Due to poor US fundamental results on Wednesday, the GBP/USD currency pair recovered from intraday lows and ended the day relatively flat. Technical studies continue to give bearish signals today, suggesting the pair is likely to extend its decline and fall under 1.48. Furthermore, the weekly and monthly S1s are still providing resistance around 1.4860, leaving little space for a rally to take place. Immediate support is located at 1.4759 in face of the weekly S2, but another set of fundamental data could cause a rebound towards the 1.4860 resistance cluster.

### Traders' Sentiment

For the third consecutive day the share of bulls takes up 65% of the market, whereas the share of buy orders edged up from 53 to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	30%	30%	36%	30%
Orders (±50 pips)	-2%	-2%	2%	-10%
Orders (±100 pips)	8%	6%	22%	0%

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

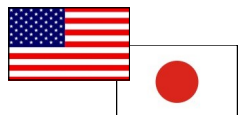
GBP/USD Daily Chart Current price: 1.4823



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
	1.55		
		1.51	1.52
	1.51	1.51	
			1.47
	1.4977		
	1.4899	1.49	
	1.4852		
		1.48	
	1.4759		
	1.4718		
	1.4679		

	Level	Rationale
Resistance 3	1.4977/92	20-day SMA; weekly R1
Resistance 2	1.4899	Weekly PP
Resistance 1	1.4852/68	Weekly and monthly S1s
Support 1	1.4759	Weekly S2
Support 2	1.4718/12	Bollinger band; weekly S3
Support 3	1.4679	Monthly S2

## USD/JPY retests the weekly PP



*"The Fed story will continue and push the dollar higher against the yen."*

- ABN Amro Group NV (based on Bloomberg)

### ■ Pair's Outlook

The USD/JPY managed to appreciate for the third day in a row yesterday, with the weekly PP preventing the pair from further gains. Even though a decline failed to occur on Wednesday, technical indicators insist the Greenback is to weaken against the Japanese Yen today. The weekly PP is reinforcing that view, as it prevented the Greenback from climbing higher through most of the week. The nearest support is represented by the up-trend, the Bollinger band and the weekly S1 around 119.50, but trade is likely to close above the major level of 120.00.

### ■ Traders' Sentiment

Bearish traders' sentiment remains unchanged at 59%, while the number of purchase orders lost four points down to a total of 57%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-18%	-18%	-40%	-31%
Orders (±50 pips)	12%	18%	0%	3%
Orders (±100 pips)	14%	22%	6%	7%

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

USD/JPY Daily Chart Current price: 120.41



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122
	121.61		
	120.98		
	120.57		
	119.64		
	119.10		
	118.17		

	Level	Rationale
■ Resistance 3	121.61/74	55 and 200-day SMAs
■ Resistance 2	120.98/121.37	Monthly S1; weekly R1; 20 and 100-day SMAs
■ Resistance 1	120.57	Weekly PP
■ Support 1	119.64/36	Bollinger band; weekly S1; up-trend
■ Support 2	119.10/118.87	Weekly and monthly S2s
■ Support 3	118.17/06	Weekly S3; Oct low



# Gold pierced through weekly S1 to park near 1,060



*"Next year too gold will be lower as U.S. interest rates will keep going higher."  
- a bullion trader in Hong Kong (based on CNBC)*

## Pair's Outlook

Gold traded downwards on Wednesday, as declining commodities across the board failed to keep the yellow metal any near the green territory. US Dollar rallied, while gold prices dipped down to the 1,060 mark. After it received some bearish support from the 20-day SMA, the metal decided to ignore the weekly S1 and went through this technical level with ease. Now the focus is shifting to the weekly S2, which is reinforced by the lower Bollinger band at 1,055/54. Here we can observe some buoyancy for gold, but the mid-term outlook still remains largely negative.

## Traders' Sentiment

Following a relatively heavy gold price plunge in the past 24 hours, some traders changed hands and closed their bearish positions to expect a rebound today. Now around 56% of all SWFX market participants are holding long positions, up from 54% yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	8%	10%	12%

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)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

XAU/USD Daily Chart Current price: 1062.63



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			1250
	1206	1200	
		1125	1125
	1100		
	1076	1071	
	1069		
	1065		
	1055	1048	
	1048		
	1031		1037

	Level	Rationale
Resistance 3	1,076	Downtrend
Resistance 2	1,069/73	20-day SMA; weekly PP
Resistance 1	1,065	Weekly S1
Support 1	1,055/54	Weekly S2; Bollinger band
Support 2	1,048/44	Weekly S3; 2010 low
Support 3	1,031/30	2008 high; monthly 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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