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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD to set fresh eight-month lows



"Conditions for a test of parity may finally be falling into place."

- Nomura Securities (based on Bloomberg)

Pair's Outlook

EUR/USD traded on the downside yesterday, owing to uncertainty over European economic outlook and despite positive inflation data. The newest eight-month low at 1.0650 has already been touched Tuesday morning. We are now fully focusing on the April low at 1.0519, the closest major support which is reinforced by the monthly S2, weekly S3 and lower Bollinger band from above. Intermediate demand is offered by the weekly S2 at 1.0602. Trading volume remains at the highest level in three weeks, meaning volatility of the market may persist in the nearest future.

Traders' Sentiment

Bulls raised their share to 56% by Tuesday morning, the highest level in more than three months. Pending orders, however, deteriorated to just 35% for bulls in 100-pip range from the spot market price.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	10%	0%	5%
Orders (±50 pips)	-32%	-14%	-28%	-6%
Orders (±100 pips)	-30%	-22%	-32%	-12%

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

EUR/USD Daily Chart Current price: 1.0660



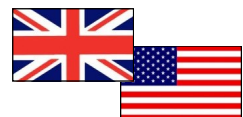
SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			
1.12			
1.11			
1.09			
1.0808			
1.0758			
1.0686			
1.06			
1.0602			
1.0550			
1.0461			
1.03			

	Level	Rationale
Resistance 3	1.0808/19	July and May lows
Resistance 2	1.0758/68	Weekly PP; monthly S1
Resistance 1	1.0686	Weekly S1
Support 1	1.0602	Weekly S2
Support 2	1.0550/19	Bollinger band; monthly S2; weekly S3; Apr low
Support 3	1.0461	Mar low

GBP/USD on the verge of returning to Sep low

"The focus on inflation, or rather the lack of it shifts back to the UK and the US today and it is this lack of inflation that could well prompt a change of expectation on the part of the US Federal Reserve in the context of a possible rise in rates next month."

- CMC Markets (based on WBP Online)



Pair's Outlook

On Monday, the Cable tested the immediate support, but stabilised in front of the 1.52 major level, as was anticipated. Technical studies and the 20-day SMA crossing the 55-day one to the downside are both indicating a possible decline to take place today. As a result, the immediate support cluster risks getting pierced, with the second solid target to limit the dips located only at 1.5096, the weekly S1. However, the UK and US fundamentals could still turn in favour of the Sterling, causing the currency pair to extend its post-NFP recovery, thus, edging closer to the 20-day SMA around 1.5275.

Traders' Sentiment

Both shares of short positions and orders to sell the Pound returned to their Friday's levels of 60% and 59%, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-20%	-12%	-10%	-10%
Orders (±50 pips)	-54%	-20%	-12%	-8%
Orders (±100 pips)	-18%	-22%	-20%	-5%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	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	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

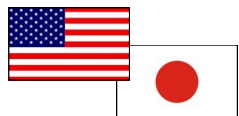
GBP/USD Daily Chart Current price: 1.5173



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			1.59
		1.58	
	1.56		
	1.54	1.54	1.54
1.5376			
1.5306			
1.5275			
1.5185			
	1.51	1.51	1.51
1.5096			
1.5051			

	Level	Rationale
Resistance 3	1.5376/1.5421	Down-trend; weekly R2; 100-day SMA
Resistance 2	1.5306/47	55 and 200-day SMAs; weekly R1; monthly PP
Resistance 1	1.5275	20-day SMA
Support 1	1.5185/79	Monthly S1; 23.60% Fibo; weekly PP
Support 2	1.5096	Weekly S1
Support 3	1.5051	Bollinger band

USD/JPY sets eye on a new high



"It looks like a big bet on the Fed finally putting its money where its mouth is. It looks as though the Fed will indeed kick off its tightening cycle in December, providing a stark contrast to other major central banks and thus providing durable support for the dollar."

- Westpac Banking Corp. (based on Bloomberg)

■ Pair's Outlook

Due to Japan falling back into recession, the USD/JPY currency pair managed to breach the immediate resistance and close trade near the 11-week high. Today the Greenback is likely to extend yesterday's rally and possibly even establish a new 13-week high, but in order to do so, the given pair first requires to pierce the cluster in form of the weekly R1 and monthly R2 around 123.40. A fresh 13-week high is also expected to set the Buck on a path of reaching the 2015 high, unless the immediate resistance pushes the USD/JPY back under 123.00.

■ Traders' Sentiment

Bearish market sentiment returned to last Tuesday's level of 73%, while the sell orders are outnumbering the buy ones by 2% points.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-48%	-46%	-44%
Orders (±50 pips)	40%	14%	-24%	11%
Orders (±100 pips)	-2%	8%	-16%	14%

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

USD/JPY Daily Chart Current price: 123.42



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			128
		127	
		125	125
124.46	125		
123.94			
123.30	123		123
122.87		122	
122.14			
121.77	121		

	Level	Rationale
■ Resistance 3	124.46	Weekly R3
■ Resistance 2	123.94/124.03	Bollinger band; weekly R2
■ Resistance 1	123.30/49	Weekly R1; monthly r2
■ Support 1	122.87	Weekly PP
■ Support 2	122.14/04	Weekly S1; monthly R1
■ Support 3	121.77/71	20 and 100-day SMAs; weekly S2; up-trend

Gold keeps sliding down with uplifted volatility



"It seems all over the world, the economy is weak, also within China and India, so the potential market for consumers has also declined."

- Heraeus Precious Metals (based on CNBC)

Pair's Outlook

With markets expecting to see rising US CPI numbers later on Tuesday, the bullion continued to lose steam yesterday. Traders are selling-off the precious metal on the back of stronger US Dollar. The spot price is just seven dollars away from Jul low at 1,070. Positive American data may push gold below this mark, with the next bearish target being placed at 1,059 (monthly S2). On the other hand, bullish traders intend to recover back towards the 1,100 zone. Trading volume rose to the highest level since Oct 30, which underlines increasing market turbulence as Fed's December meeting approaches.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, being that 71% of SWFX traders are holding long positions.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	42%	44%	12%	23%

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

XAU/USD Daily Chart Current price: 1079.20



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
		1244	
	1233		1225
	1150	1148	1150
	1105		
	1100		
	1094		
	1084	1083	
	1073		1062
	1062		
	1051		

	Level	Rationale
Resistance 3	1,100	Monthly S1
Resistance 2	1,094	Weekly R1
Resistance 1	1,084	Weekly PP
Support 1	1,073/70	Weekly S1; Jul low
Support 2	1,062/59	Weekly and monthly S2
Support 3	1,051	Weekly S3

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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