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



Technical Analysis

EUR/USD comes under 55-day SMA to expose 1.09



"The path of the euro-dollar may be the most visible influence on gold, at least until the Fed meeting."
- HSBC (based on Bloomberg)

Pair's Outlook

EUR/USD traded down on Thursday, after the 200-day SMA managed to create a formidable resistance for bullish traders at 1.1031. Yesterday's session resulted in a decline below 55-day SMA, currently at 1.0972. Now we are having a closer look at the 1.09 mark, which is guarded by monthly R1 and 38.2% Fibonacci retracement of an Oct-Nov downtrend. Positive US data later on Friday should result in the testing of this demand. On the other hand, US disappointment rules nothing out, including a spike at least above the 55-day SMA.

Traders' Sentiment

Bearish market share decreased further from 56% to 55% during the previous trading session. However, majority of pending orders are now set to sell the Euro against US Dollar in both 50/100-pip ranges.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-12%	-4%	-8%
Orders (±50 pips)	-4%	20%	-12%	-8%
Orders (±100 pips)	-10%	10%	-18%	-10%

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

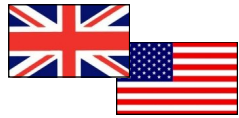
EUR/USD Daily Chart Current price: 1.0943



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1060			
1.1008			
1.0972			
1.0893			
1.0821			
1.0751			
1.1060	1.13		
1.09		1.11	1.12
1.0893			
1.0821			
1.0751			
1.06		1.07	1.07
1.05			
1.03			

	Level	Rationale
Resistance 3	1.1060/68	100-day SMA; weekly R1
Resistance 2	1.1008/31	200-day SMA; 50% Fib
Resistance 1	1.0972	55-day SMA
Support 1	1.0893/91	Monthly R1; 38.2% Fib
Support 2	1.0821/1.0795	July low; weekly PP; 20-day SMA
Support 3	1.0751/24	23.6% Fib; monthly PP

GBP/USD weakens ahead of US data



"The Fed will want to start the 'normalisation' process without invoking a strong reaction in currency markets, which would likely see the manufacturing sector suffer disproportionately."
- ING (based on FXStreet)

Pair's Outlook

The Cable was a few steps away from touching the major level of 1.51 yesterday, but rebounded from the daily low, with trade closing at 1.5161. Even though the immediate support remained intact, the Greenback is likely to drive the GBP/USD pair lower today, piercing that level and taking another shot at 1.51. However, weekly technical studies were bearish through all five days, suggesting the exchange rate could even drop to 1.50 today. The daily indicators, on the other hand, remain mixed, creating a possibility of another rally today, with the down-trend at 1.5280 getting confirmed.

Traders' Sentiment

Sentiment shifted to the bullish side, with 52% of all positions now long. Sell orders are now outnumbering the buy ones by 4% points.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	-4%	12%	12%
Orders (±50 pips)	-46%	8%	64%	-6%
Orders (±100 pips)	-4%	0%	44%	3%

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

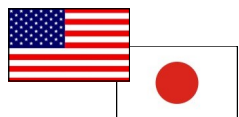
GBP/USD Daily Chart Current price: 1.5141



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5280			1.59
1.5219		1.58	
1.5183			
1.5126	1.56		
1.5126	1.54	1.54	1.54
1.5058	1.51	1.51	1.51
1.4966			

	Level	Rationale
■ Resistance 3	1.5280/86	Down-trend; Bollinger band
■ Resistance 2	1.5219/32	Weekly R1; 55-day SMA
■ Resistance 1	1.5183/85	Monthly PP; 23.60% Fibo
■ Support 1	1.5126	20-day SMA
■ Support 2	1.5058	Weekly PP
■ Support 3	1.4966/56	Bollinger band; weekly S1

USD/JPY makes another effort to erase Wednesday's gains



"Central banks are all hoping the Fed's imminent tightening will weaken their domestic currencies against the greenback. They're holding back on meeting the market's expectations for further easing."

- Royal Bank of Scotland (based on Business Recorder)

Pair's Outlook

The tough resistance cluster prevented the USD/JPY from posting serious gains on Thursday. Although the pair remains under the pressure of the immediate resistance cluster, the set of fundamental data could provide sufficient impetus for the Buck to edge higher. In this case the cluster, represented by the monthly PP and weekly S1 at 122.36, should limit the gains. Nevertheless, the Greenback remains under the risk of falling even deeper, with the closest target to hold the dips resting at 122.99, a breach of which should trigger an even sharper sell-off towards the Nov low at 120.25.

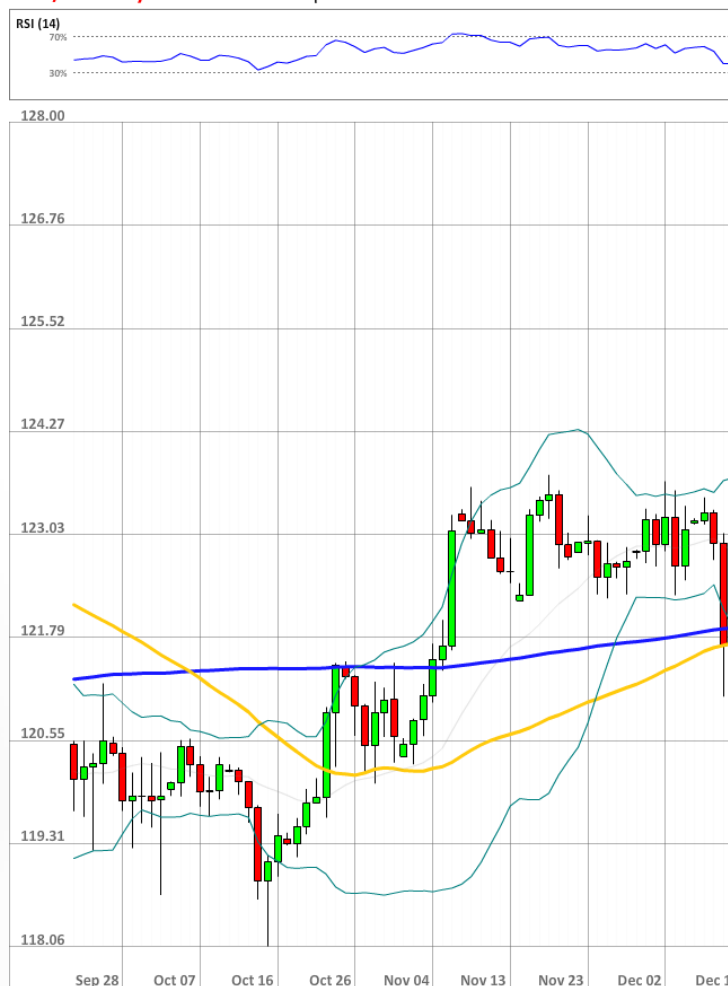
Traders' Sentiment

Bulls are slowly gaining numbers, as there are only 66% of bearish traders today. The number of sell orders edged up from 58 to 59%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-32%	-38%	-42%	-43%
Orders (±50 pips)	-34%	2%	38%	19%
Orders (±100 pips)	-18%	-16%	30%	23%

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

USD/JPY Daily Chart Current price: 122.02



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
122.76			128
122.36		127	
121.58		125	125
121.46	125		
120.99	123		123
120.25	121		

	Level	Rationale
■ Resistance 3	122.76/123.01	20-day SMA; weekly PP
■ Resistance 2	122.36	Weekly S1; monthly PP
■ Resistance 1	121.58/66	100 and 200-day SMAs; weekly S2; Bollinger band
■ Support 1	121.46	55-day SMA
■ Support 2	120.99/98	Weekly S3; monthly S1
■ Support 3	120.25	Nov low

Gold in wait-and-see mode as US data is looming



“Gold remains locked in a fairly tight range as investors are either sitting on the sidelines or are set in their positions already leading into next week’s FOMC meeting.”
- ANZ (based on WBP Online)

Pair’s Outlook

Gold prices tanked below the weekly pivot point on Thursday, even though long traders used an attempt to hold the bullion above this technical level earlier in the morning. While yesterday the July low was not tested well enough, we see it happening Friday morning. US retail sales will be the last important piece of data before the Fed meeting next week, and optimistic numbers should reinforce the market view about rising interest rates. In this situation, gold should feel some uplifted bearish pressure in the next 24 hours, with a possibility to prolong a sell-off down to the weekly S1 at 1,058.

Traders’ Sentiment

The bulls continue keeping higher number of positions than the bears in the SWFX market, namely 62% (63% yesterday) of them.

XAU/USD Daily Chart Current price: 1068.94



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233	1244		
1150	1148	1225	
1105			1150
1086			
1076			
1070			
1061		1083	
1044			
1031			1062

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	24%	26%	34%	34%

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

	Level	Rationale
Resistance 3	1,086	Monthly PP
Resistance 2	1,076	20-day SMA
Resistance 1	1,070/73	Weekly PP; Jul low
Support 1	1,061/58	Bollinger band; weekly S1
Support 2	1,044	2010 low
Support 3	1,031/30	2008 high; weekly S2; 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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