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



# Technical Analysis

# EUR/USD prepares for gains, FOMC minutes loom



*"We'd feel more confident in calling a top in the dollar if it had risen more to match prior cycles. The dollar's uptrend has another year, or more, to go."*

- Standard Bank Group (based on Bloomberg)

## Pair's Outlook

Friday's wide trading resulted in no gains for both sides of the market. EUR/USD attempted to grow to 1.1440 and decline as low as 1.1340, but ultimately a small green candle confirmed that the pair added only 11 pips over the day to end it near 1.1389. Odds are biased in favour of the bulls this week, as the weekly R1 (1.15) along with the October 2015 peak are opened to testing. There are no intermediate resistances on the pair's way up. Moreover, the aggregate signal provided by daily technical indicators is positive for the Euro zone's currency.

## Traders' Sentiment

Only somewhat more than 41% of traders in the SWFX market estimate that the Euro is going to appreciate against the world's main reserve currency. As for future orders placed on this currency pair, more than 60% of them are going short on the Euro against the Dollar.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-16%	-10%	-13%
Orders (±50 pips)	-26%	-16%	10%	1%
Orders (±100 pips)	-22%	-34%	4%	-1%

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

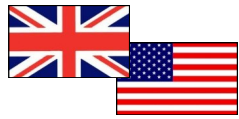
EUR/USD Daily Chart Current price 1.1388



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1586			
1.1495			
1.1450			
1.1326			
1.1229			
1.1091			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

Level	Rationale
R3	1.1586/1.1611 Monthly R1; weekly R2
R2	1.1495/1.15 October 2015 high; weekly R1
R1	1.1450 Bollinger band
S1	1.1326 Weekly PP
S2	1.1229/04 20-day SMA; weekly S1; monthly PP
S3	1.1091 55-day SMA

# GBP/USD risks falling back under 1.42



*"Yellen has pretty much decided the dollar's near-term direction, and with U.S. jobs data out of the way each currency will likely move on domestic factors versus the dollar."*

- Barclays (based on CNBC)

## Pair's Outlook

Last Friday the GBP/USD currency pair declined more than anticipated, having pierced the immediate support cluster and put the short-term up-trend to the test. The Cable is now expected to rebound from the mentioned support line, which is located on top of the 1.42 major level. However, the rally is likely to be short-lived, unless the Sterling manages to climb over a tough supply area around 1.4270, represented by the weekly and the monthly PPs, the 20 and the 55-day SMAs. On the other hand, in case the five-week up-trend fails to cause a rebound, the next target would then be the weekly S1 and the Bollinger band, both located around 1.4075.

## Traders' Sentiment

Market sentiment is strongly bullish, as 65% of all open positions are long (previously 59%). The share of buy orders surged from 43 to 55%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	30%	18%	26%	21%
Orders (±50 pips)	28%	-46%	56%	11%
Orders (±100 pips)	10%	-14%	18%	7%

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

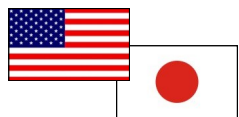
GBP/USD Daily Chart Current price 1.4223



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51			1.52
1.49		1.51	
1.48			1.47
1.4493			
1.4421			
1.4260			
1.4200			
1.4082			
1.4005			

Level	Rationale
R3	1.4493 Bollinger band
R2	1.4421 Weekly R1
R1	1.4260/81 Monthly and weekly PPs; 20 and 55-day SMAs
S1	1.4200 Up-trend
S2	1.4082/69 Weekly S1; Bollinger band
S3	1.4005/1.3977 Weekly and monthly S1s

# USD/JPY to continue edging lower



*"I think the market is too pessimistic today, against the dollar, I don't see any reason that many people would want to buy the yen against the dollar."*

- Masashi Murata, Brown Brothers Harriman (based on Reuters)

## Pair's Outlook

The USD/JPY retained its weakness after Yellen's dovish stance last week, which resulted in the pair's 90-pip slump on Friday. The Buck is still subject to a possible decline today, but with the immediate support, namely the Bollinger band, the weekly and the monthly s1s, most likely limiting the losses around 111.00 psychological level. Technical indicators keep giving mixed signals in the daily timeframe, suggesting a possibility of the Greenback retaking the 112.00 major level exists, whereas the closest resistance area rests only circa 112.50 in face of the 20-day SMA, the weekly and the monthly PPs. The base case scenario is a drop closer towards the down-trend below 111.00.

## Traders' Sentiment

Nearly three quarters (74%) of all open positions are now long (previously 73%), while the number of sell orders slid from 64 to 62%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	48%	46%	48%	46%
Orders (±50 pips)	28%	-16%	20%	-10%
Orders (±100 pips)	-24%	-28%	32%	-13%

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

USD/JPY Daily Chart Current price 111.38



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

Level	Rationale
R3 114.07/56	Bollinger band; 55-day SMA; monthly R1; weekly R2
R2 113.10/18	Weekly R1; down-trend
R1 112.34/60	Weekly and monthly PPs; 20-day SMA
S1 111.14/110.63	Bollinger band; weekly and monthly S1s
S2 110.42/12	Down-trend; weekly S2
S3 108.70/66	Monthly S2; weekly S3

# Gold to look at 1,205/1,188 dense support



*"Gold didn't like the data [...]. It may have encouraged some people to take profits on gains from the first quarter."*  
- LOGIC Advisors (based on Wall Street Journal)

## Pair's Outlook

Technical trading of the bullion remains uncertain at the moment, because there are several important resistances and supports surrounding the present spot price of 1,217. From the upside, the weekly pivot point at 1,224 is the most immediate supply, followed by the 23.6% Fibonacci retracement of the Dec-Mar uptrend and the 20-day SMA at 1,227/30. Still, we suspect that the market will attempt to push gold prices lower in the near-term. However, XAU/USD will inevitably hit a tough cluster of demand levels and the first support is going to be placed at 1,205 (weekly S1; 55-day SMA).

## Traders' Sentiment

With value losses, several short traders have initiated some profit taking in the SWFX market. It decreased the overall share of the bears down to 53% by Monday morning from 59% three days ago.

XAU/USD Daily Chart

Current price 1218.80



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1260			
1241			1250
1224			
1205	1206		
1198		1200	
1193			
		1125	1125
	1100		
	1071		
		1048	
			1037

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-6%	-18%	-12%	-18%

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

	Level	Rationale
■ R3	1,260/65	Weekly R2; February high; Bollinger band
■ R2	1,241	Weekly R1; monthly PP
■ R1	1,224/30	Weekly PP; 23.6% Fib; 20-day SMA
■ S1	1,205/04	Weekly S1; 55-day SMA
■ S2	1,198/96	Monthly S1; Bollinger band
■ S3	1,193/88	38.2% Fib; weekly S2

## 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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