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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD loses 150 pips, touches 1.09



"The Fed language on tightening in December was a stronger indication than we've had from them in a long time about going soon."

- Westpac Banking Corp. (based on Bloomberg)

Pair's Outlook

Yesterday markets were driven by the decision of the Fed to project a possible a rate hike in December. EUR/USD was therefore provided with substantial bearish momentum and it tumbled towards the 1.09 mark, losing 150 pips in the past 24 hours. Strongest demand is still ahead of the spot price. Bears are aiming at the weekly S1/monthly S2 at 1.0879/68, but another support is offered by May/July lows at 1.0819/08. These levels can be tested, in case US GDP growth exceeds estimates on Thursday. Otherwise, a rebound back to 1.1020 is likely on the back of disappointing numbers.

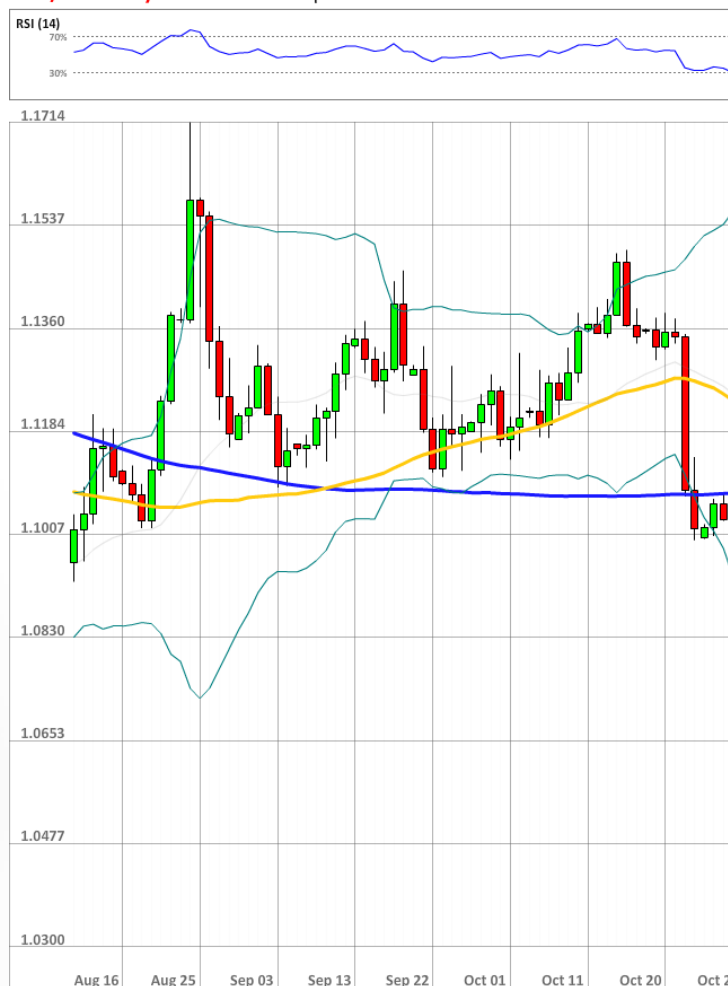
Traders' Sentiment

SWFX sentiment is 52% bullish on Wednesday, while 60% of pending orders in 100-pip range from the spot are still set to sell the Euro.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	2%	-10%	-5%
Orders (±50 pips)	-30%	-18%	14%	2%
Orders (±100 pips)	-20%	-20%	12%	-3%

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

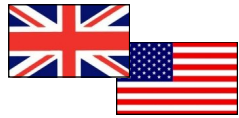
EUR/USD Daily Chart Current price: 1.0931



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1162			1.12
1.1111			
1.1022		1.11	
1.09	1.13		
1.0879			
1.0819		1.07	1.07
1.0742			
1.06		1.05	
1.03			1.03

Level	Rationale
Resistance 3 (1.1162/71)	100 and 20-day SMAs
Resistance 2 (1.1111/33)	200-day SMA; weekly PP
Resistance 1 (1.1022)	Monthly S1
Support 1 (1.0879/54)	Weekly S1; monthly S2; Bollinger band
Support 2 (1.0819/08)	May low; Jul low
Support 3 (1.0742)	Weekly S2

GBP/USD in limbo, awaits trade trigger



"In determining whether it will be appropriate to raise the target range at its next meeting, the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation."
- FOMC (based on WBP Online)

Pair's Outlook

This time the monthly PP failed to keep the Cable afloat, causing a 40-pip decline over the day. The pair's immediate support is now the weekly S1 at 1.5241, while the September low remains a major point and lies out of reach at this time. At the same time, a strong resistance cluster is represented around 1.5333, where the 20-day SMA coincides with the 200-day one, but now having the monthly PP near the major level of 1.53 on the way as well. The weekly S1, however, might still cause a gradual rebound, as it rests upon the point, which caused a substantial rally two weeks ago.

Traders' Sentiment

The share of bulls returned to its Tuesday's level of 53%, whereas the portion of buy orders edged higher to 74% (up from 61%).

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	10%	12%	8%
Orders (±50 pips)	38%	28%	-50%	-7%
Orders (±100 pips)	48%	22%	-32%	-8%

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

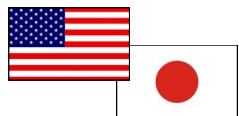
GBP/USD Daily Chart Current price: 1.5258



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5786		1.58	
1.5673			
1.5559	1.56		
1.5446			
1.5332	1.54	1.54	1.54
1.5218			
1.5105	1.51	1.51	1.51
1.4991			

	Level	Rationale
■ Resistance 3	1.5374/82	Weekly PP; 55-day SMA
■ Resistance 2	1.5333	20 and 200-day SMAs
■ Resistance 1	1.5297	Monthly PP
■ Support 1	1.5241	Weekly S1
■ Support 2	1.5185/45	Weekly S2; 23.60% Fib; Bollinger band
■ Support 3	1.5106	September low

USD/JPY risks falling back to 55-day SMA



"In terms of economics, an uptick in industrial output and the Fed's hawkish tone reduce pressure on the BOJ to ease."
- Merrill Lynch (based on CNBC)

Pair's Outlook

Bulls refused to give up just yet, causing the Greenback to outperform the Yen on Wednesday, even erasing Tuesday's losses. Even with the nearest resistance located at 121.27, namely the monthly R1, the USD/JPY appears to be struggling to climb too far above 121.00. The 200-day SMA is located at the given major level, but keeps failing to hold the losses when those occur, opening the door for a possible decline towards the 55-day SMA. However, according to technical studies the Buck is to extend its rally today.

Traders' Sentiment

Bears keep growing stronger, as 59% of all positions are now long (previously 54%). At the same time, the number of orders to acquire the US Dollar increased from 61 to 74%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-18%	-8%	50%	24%
Orders (±50 pips)	54%	0%	12%	-4%
Orders (±100 pips)	48%	22%	0%	13%

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

USD/JPY Daily Chart Current price: 120.77



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
122.24			128
121.86		127	
121.27		125	125
121.00	125		
120.69	123		123
120.11		122	

	Level	Rationale
■ Resistance 3	122.24	Weekly R1
■ Resistance 2	121.86	100-day SMA
■ Resistance 1	121.27/47	Monthly R1; Bollinger band
■ Support 1	121.00	200-day SMA
■ Support 2	120.69/49	Weekly PP; 55-day SMA
■ Support 3	120.11/119.90	20-day SMA; monthly PP; weekly S1

Gold slides down from 1,182 to 1,156 after Fed



"At these prices gold has already priced in a December rate hike. \$1,150 is a big level on the downside, and on the upside I think \$1,165 will be pretty hard to break."
- a precious metals trader in Sydney (based on CNBC)

Pair's Outlook

Markets expected somewhat dovish Fed stance yesterday. A completely opposite outcome of the meeting pushed gold prices considerably to the south. While initially trading with a premium, the bullion's spot dipped down to 1,156 by the end of Wednesday trading and established a new two-week low. A decline was capped by the weekly S1 and the short term expectations assume a recovery from here. Major resistance is created by 1,167/71 area, where a sell-off should resume. A drop below 1,155 is required to affirm our negative projections with respect to gold amid uplifted US Dollar.

Traders' Sentiment

It seems that bulls enjoy holding a slight advantage over bears. The percentage of long open positions has been completely unchanged at 52% since Thursday of the previous week, which gives the bullish traders a 4% lead.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	4%	4%	3%

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

XAU/USD Daily Chart Current price: 1161.69



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1186		1244	
1177			
1167			
1158	1150	1148	1150
1147			
1139	1105		
		1083	
			1062

	Level	Rationale
Resistance 3	1,186	Bollinger band
Resistance 2	1,177/81	Weekly R1; monthly R2
Resistance 1	1,167/71	Weekly PP; Aug high; 200-day SMA
Support 1	1,158/55	20-day SMA; weekly S1
Support 2	1,147/46	Monthly R1; weekly S2
Support 3	1,139	100 and 55-day SMAs

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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