



DUKASCOPY
RESEARCH PRODUCTS

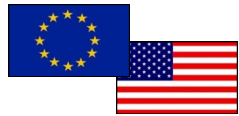
07/03/2016

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



Technical Analysis

EUR/USD returns to 1.10 ahead of ECB week



*"I don't think the ECB will disappoint."
- AllianceBernstein (based on Bloomberg)*

Pair's Outlook

EUR/USD booked another bullish trading session last Friday, with gains extending beyond the 55-day SMA at 1.0972. After touching the 200-day SMA at 1.1045, the pair was forced to come back and finished the week at 1.10. The exchange rate will be turbulent this week, as the ECB decision approaches on March 10. Growth above the 200-day SMA will expose the first monthly resistance line at 1.1272, followed by the February peak at 1.1377. The bears, however, will be hoping for a reverse of the current tendency, as they are aiming at the February low of 1.0809.

Traders' Sentiment

Over the weekend the SWFX market sentiment worsened quite significantly, as the total percentage of bullish market participants slid from 53% to 48%. Pending orders also remain 51-53% Euro-short.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-4%	6%	2%	3%
Orders (±50 pips)	-2%	-14%	-10%	-9%
Orders (±100 pips)	-6%	-16%	-16%	-9%

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

EUR/USD Daily Chart Current price: 1.0992



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1176			
1.1090			
1.1001			
1.0972			1.1
1.0917			
1.0872			
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
			1.01

	Level	Rationale
R3	1.1176	Weekly R2
R2	1.1090	Weekly R1
R1	1.1001/45	20/200-day SMAs; monthly PP
S1	1.0972/58	55-day SMA; weekly PP
S2	1.0917	100-day SMA
S3	1.0872	Weekly S1

GBP/USD risks falling back under 1.42



"The higher the pound moves on improving risk sentiment, the more likely "Brexit" developments will begin to weigh on sentiment again. So we see limited upside for the pound from here."

- Bank of Tokyo-Mitsubishi (based on Business Recorder)

Pair's Outlook

Despite weak UK data, the GBP/USD currency pair managed to recover from its daily low and end the week with five consecutive rallies. If the Sterling succeeds in preserving its current bullish trend, the exchange rate could reach the 1.49 mark within two months; however, technical studies in all timeframes suggest otherwise. Meanwhile, the closest resistance is located only around 1.4415, represented by the 55-day SMA, the weekly and the monthly R1s. The 20-day SMA, on the other hand, is supporting the Cable just below the opening price, while another strong cluster is located around 1.4125, which should limit the dips, as price is expected to drop lower over the day.

Traders' Sentiment

Today 56% of all open positions are long (previously 52%), whereas the share of purchase orders increased from 37 to 52% over the weekend.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	12%	4%	30%	20%
Orders (±50 pips)	0%	-32%	18%	17%
Orders (±100 pips)	4%	-26%	16%	5%

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

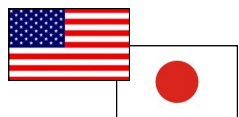
GBP/USD Daily Chart Current price: 1.4210



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			1.52
1.51	1.51		
1.49			1.47
1.4643			
1.4518			
1.4374			
1.4215			
1.4141			
1.3962			

Level	Rationale
R3	1.4643 Bollinger band
R2	1.4518 Weekly R2
R1	1.4374/1.4446 Weekly and monthly R1s; 55-day SMA
S1	1.4215 20-day SMA
S2	1.4141/05 Monthly and weekly PPs
S3	1.3962 Weekly S1

USD/JPY keeps struggling to overcome 114.00



"The scale of drop in USD/JPY is limiting the upside now that financial market conditions have improved but a slow grind higher is possible if broader market conditions remain favourable."

- BTMU analytic team (based on WBP Online)

Pair's Outlook

The US Dollar failed to post significant gains against the Japanese Yen last Friday, as the USD/JPY pair inched only five pips higher. Although the given pair opened slightly higher today, resistance at the 114.00 psychological level appears to be holding the Buck at bay. However, the Greenback is now also supported by the weekly PP and the 20-day SMA around 113.40, where demand could be sufficient to trigger a buying spree for the 114.00 mark to be overcome. According to technical indicators, the bearish momentum is likely to prevail and push the US currency closer towards 113.00 major level.

Traders' Sentiment

Bullish market sentiment returned to its last Monday's level of 70%, compared to 75% on Friday. At the same time, the number of orders to acquire the American Dollar increased from 57 to 62%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	40%	50%	40%	45%
Orders (±50 pips)	18%	-14%	58%	5%
Orders (±100 pips)	24%	14%	30%	-2%

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

USD/JPY Daily Chart Current price: 113.69



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125	125	125
123		123	
122			122
116.81			
115.87			
114.79			
113.47			
112.39			
111.07			

	Level	Rationale
R3	116.81/117.19	55-day SMA; weekly R3
R2	115.87	Weekly R2
R1	114.79/115.04	Weekly R1; Bollinger band; monthly PP
S1	113.47/39	Weekly PP; 20-day SMA
S2	112.39/111.84	Weekly S1; Bollinger band
S3	111.07	Weekly S2

Gold eases from multi-month peaks



"Gold prices broke higher yesterday and we wait to see if they gather momentum, given other markets are seeing risk-on we would not be surprised to see gold prices struggle."

- Bullion Desk (based on The Week)

Pair's Outlook

US Dollar strengthened after encouraging employment data from America. Gold peaked at 1,280 on Friday, but came under selling pressure by week-end and finished it slightly below 1,260. Bullish development remains on top of the medium-term agenda, backed by the February uptrend line, currently at 1,229, and the weekly pivot point at 1,251. Moreover, weekly indicators are long on the bullion for the moment. The first target area for the bulls is 1,290 guarded by weekly/monthly R1s. Only a drop below 1,221 (20-day SMA) will erode the positive outlook.

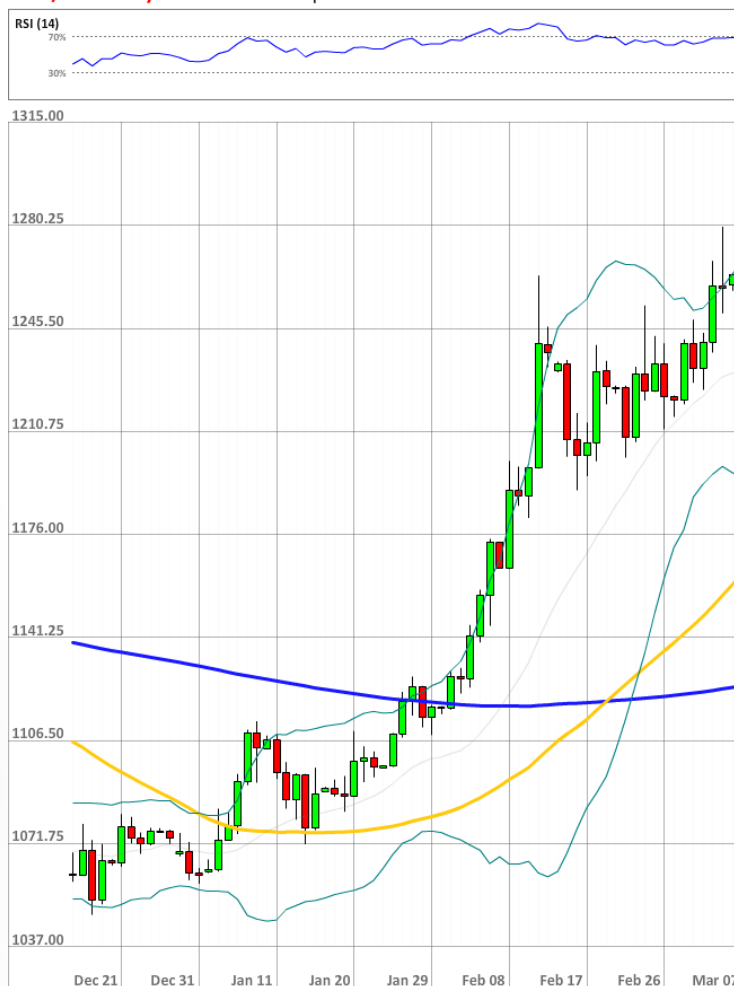
Traders' Sentiment

The number of bullish traders in the SWFX market is back to 41% by Monday morning, meaning over the weekend their portion decreased by only one percentage point.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-16%	-46%	-31%

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

XAU/USD Daily Chart Current price: 1261.60



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1315			
1307			
1287			
1251			1250
1229			
1205	1206	1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,315 Weekly R2
R2	1,307 2015 high
R1	1,287/95 Weekly/monthly R1s
S1	1,251 Weekly PP
S2	1,229/21 Uptrend; weekly S1; 20-day SMA
S3	1,205 Monthly PP

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



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.