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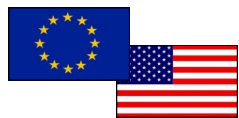
16/10/2015

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



Technical Analysis

EUR/USD risks falling lower



"Nowotny's comments hit the euro just as it was beginning to firm, and the currency could weighed down if other ECB official hint at the need for further easing."

- Monex (based on CNBC)

Pair's Outlook

EUR/USD came under heavy fire once it approached the 1.15 level. However, once again these were fundamental rather than technical factors that weighed the currency down, namely dovish comments of the ECB official. In any case, the pair is now under the monthly R1, meaning it is vulnerable to an extension of the decline. The nearest significant support is only at 1.13, implying a potential dip of 80 pips in the nearest future. A more reliable demand area is at 1.1240/15, created by the monthly PP and 55-day SMA.

Traders' Sentiment

The situation in the SWFX market normalises. While the share of short fell from 61 to 57%, the percentage of buy orders placed 100 pips around the spot price declined from 62 to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-22%	-6%	-7%
Orders (±50 pips)	12%	40%	30%	13%
Orders (±100 pips)	12%	24%	16%	9%

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

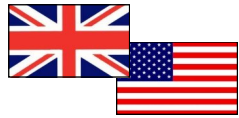
EUR/USD Daily Chart Current price: 1.1390



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1486			
1.1438			
1.1395			
1.1305	1.13		
1.1241			1.12
1.1170			
		1.11	
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
■ Resistance 3	1.1486	Bollinger band
■ Resistance 2	1.1438	Weekly R1
■ Resistance 1	1.1395	Monthly R1
■ Support 1	1.1305/03	Weekly PP; 20-day SMA
■ Support 2	1.1241/16	Weekly S1; monthly PP; 55-day SMA
■ Support 3	1.117	100-day SMA

GBP/USD in tight range between 1.5415 and 1.5485



"Yesterday's peak at 1.5510 has been the extent of the rally so far, and we really need to gain a foothold through here to argue for a move towards the 1.5630 area. The market is looking a touch overbought which could bring us back to support at 1.5420 and 1.5360."
- CMC Markets (based on WBP Online)

Pair's Outlook

The Cable experienced minor volatility on Thursday, ultimately suffering a slight decline on mixed US economic data. Nevertheless, the Sterling remains at a three-week high, but the situation might change today. The 100-day SMA and the monthly R1 keep providing resistance around 1.5485, lowering the Pound's chances of edging higher. The support cluster just above 1.54 is also unlikely to give in, suggesting that the GBP/USD is to remain within the borders of the two clusters. Furthermore, technical indicators shifted from bullish to mixed both in the daily and the weekly timeframes.

Traders' Sentiment

Although the SWFX sentiment remains bullish at 56% (previously 58%), the share of buy orders declined significantly, from 52 to 29%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	16%	14%	20%
Orders (±50 pips)	-27%	-4%	22%	3%
Orders (±100 pips)	-42%	4%	-2%	2%

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

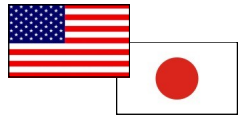
GBP/USD Daily Chart Current price: 1.5477



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5568	1.56		1.59
1.5521		1.58	
1.5486			
1.5418	1.54	1.54	1.54
1.5325			
1.5185			
	1.51	1.51	1.51

Level	Rationale
Resistance 3: 1.5568	38.20% Fib
Resistance 2: 1.5521/22	Bollinger band; weekly R2
Resistance 1: 1.5486/88	100-day SMA; monthly R1
Support 1: 1.5418/12	55-day SMA; weekly R1
Support 2: 1.5325/1.5274	20 and 200-day SMAs; weekly and monthly PPs
Support 3: 1.5185/66	23.60% Fib; weekly S1

USD/JPY to increase Thursday's bullish momentum



"There is a strong mood that investors are willing to sell when [the dollar] goes above ¥Y119."
- Sumitomo Mitsui Banking Corp (based on Market Watch)

Pair's Outlook

The ten-month support at 118.50 was tested yesterday, forcing the USD/JPY to recover from harsh downside volatility. However, the pair remained relatively unchanged over the day, as the Philly Fed Manufacturing Index weighed on the US currency, curbing its rally. The same resistance that held the Greenback yesterday, namely the Bollinger band and the weekly S2, is expected to limit the gains today as well. The upper target lies at 119.20, but a breakout towards 119.70 is possible if the fundamentals positively surprise.

Traders' Sentiment

Although not as strong as yesterday, but market sentiment remains bullish at 73% (previously 74%). The gap between the buy and the sell orders remains small, namely four percentage points.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	46%	48%	40%	45%
Orders (±50 pips)	-26%	-15%	-10%	6%
Orders (±100 pips)	-4%	-2%	22%	19%

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

USD/JPY Daily Chart Current price: 119.01



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			128
		127	
		125	125
	125		
	123		123
		122	
	121		
	120.67		
	119.73		
	118.98		
	118.78		
	117.19		
	115.85		

	Level	Rationale
■ Resistance 3	120.67	Weekly R1
■ Resistance 2	119.73/120.14	Weekly S1; 20-day SMA; monthly and weekly PPs
■ Resistance 1	118.98/20	Bollinger band; weekly S2
■ Support 1	118.78/53	Weekly S3; monthly S1
■ Support 2	117.19	Monthly S2
■ Support 3	115.85/80	January low; monthly S3

Gold struggles to stay afloat



“The gold trade right now is really about the Fed. With the numbers deteriorating as they are, it’s getting less likely there will be a Fed rate increase this year. The fundamentals, along with the technicals, are all pointing to a bullish close for gold at the end of the year.”
- RJO Futures (based on Bloomberg)

Pair’s Outlook

It is a critical moment for gold, as the precious metal is fighting to stay above the 200-day SMA in order to confirm a strong bullish signal and establish a new support area near 1,176. Yesterday, the monthly R2 at 1,181 failed to underpin the price, and the technical indicators except for a few studies refuse to support a bullish scenario. Still, the risks are skewed to the upside. If the bullion manages to consolidate atop the long-term moving average during the next few days, the first target will be the monthly R3 at 1,205, while in the longer-term perspective we will likely see a test of the key resistance at 1,230.

Traders’ Sentiment

SWFX market participants remain almost equally divided between the bulls and bears. At the moment 51% of open positions are long and 49% are accordingly short.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	2%	0%	6%	4%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Buy
RSI (14)	Sell	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Sell	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: 1177.55



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233		1244	
1205			1225
1195			
1186			
1181			
1177			
1170			
1150	1150	1148	1150
1105			
1083			
			1062

	Level	Rationale
■ Resistance 3	1,205	Monthly R3
■ Resistance 2	1,195	Weekly R3
■ Resistance 1	1,186	Bollinger band
■ Support 1	1,181	Monthly R2
■ Support 2	1,177/76	Weekly R2; 200-day SMA
■ Support 3	1,170	Aug high

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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