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



Technical Analysis

EUR/USD to end the week in tranquil trading



"He [Mario Draghi] is going to pull a rabbit out of the hat -- we're just not sure what that rabbit will be. The euro is going down heavily."

- BMO Global Asset Management (based on Bloomberg)

Pair's Outlook

EUR/USD continued to trade in a tight range on Thursday, owing to lack of major fundamental and technical drivers throughout the day. Closest support, namely the weekly S1 at 1.0586, is not considered as a very strong one. However, it may succeed in containing losses on Friday amid quiet end of the working week. Yesterday the total trading volume halved and reached the lowest level since May-end, which justifies current low turbulence in the FX market.

Traders' Sentiment

Bank Holiday in the US resulted in no change for distribution between bullish and bearish positions, which holds at 51-49%. As for the pending orders, 47% of commands are set to buy the Euro in 100-pip range, down one percentage point from yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	2%	4%	5%
Orders (±50 pips)	-14%	-4%	-8%	-16%
Orders (±100 pips)	-6%	-4%	-18%	-18%

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

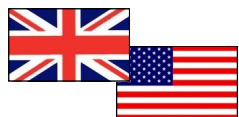
EUR/USD Daily Chart Current price: 1.0614



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			
1.11			
1.12			
1.09			
1.0808			
1.0733			
1.0674			
1.06			
1.0586			
1.0533			
1.0461			
1.07			
1.05			
1.03			

	Level	Rationale
Resistance 3	1.0808/21	Jul low; weekly R2
Resistance 2	1.0733/68	Weekly R1; monthly S1; 20-day SMA
Resistance 1	1.0674	Weekly PP
Support 1	1.0586	Weekly S1
Support 2	1.0533/19	Bollinger band; weekly and monthly S2; Apr low
Support 3	1.0461	Mar low

GBP/USD gravitates towards weekly S1



"With commodity prices coming under renewed downward pressure, the Bank of England may well find it difficult to hike rates in 2016. Put simply it looks to us as if 2016 will be the year that sterling finally loses its shine."

- Bank of New York Mellon (based on Business Recorder)

Pair's Outlook

The Sterling made its way closer to the Nov low yesterday, by falling towards the major level of 1.51 against the US Dollar. The Cable appears to be glued to the weekly S1 level and refuses to drop below 1.5075 this week, suggesting that the exchange rate could edge approximately 25 pips higher today. Although technical studies are bolstering this outcome with their bullish signals, the downslide might be extended with the weekly S2 and the Nov low acting as the nearest support around 1.5035.

Traders' Sentiment

The outlook towards the GBP/USD improved again today, with 54% of all positions being long (previously 53%). The share of sell orders barely changed over the day, taking up 57% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	6%	-22%	-9%
Orders (±50 pips)	-6%	4%	10%	-16%
Orders (±100 pips)	-14%	-16%	-16%	-19%

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

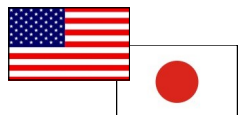
GBP/USD Daily Chart Current price: 1.5092



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			1.59
		1.58	
	1.56		
	1.54	1.54	1.54
1.5284			
1.5185			
1.5114	1.51	1.51	1.51
1.5043			
1.4986			
1.4945			

	Level	Rationale
Resistance 3	1.5284/95	55-day SMA; weekly R1
Resistance 2	1.5185/1.5225	23.60% Fibo; 20-day SMA; weekly PP
Resistance 1	1.5114	Weekly S1
Support 1	1.5043/26	Weekly S2; Nov low
Support 2	1.4986	Bollinger band
Support 3	1.4945/33	Monthly S2; weekly S3

USD/JPY stuck around 122.50



"We also expect JPY selling by domestic investors/businesses to continue. We do not expect Japanese policymakers to react very negatively if JPY weakens to the 130 level [...]."
- Nomura Bank (based on FXStreet)

Pair's Outlook

On Thursday the US Dollar edged lower against the Japanese Yen, somewhat breaching the up-trend. As a result, price opened further away from the up-trend and risks falling even deeper down, as the 20-day SMA at 122.57 is currently weighing on the pair. The nearest target to limit the dips is around 122.05, represented by the weekly S1 and monthly R1, but technical indicators keep giving bullish signals. The nearest resistance in face of the weekly PP remained unconquered through all of the week and is expected to prevent the USD/JPY from recovering.

Traders' Sentiment

Bears remain in the majority, as 73% of traders are short the Buck. Meanwhile, the portion of buy orders increased from 56 to 63%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-48%	-48%	-46%
Orders (±50 pips)	36%	18%	-38%	18%
Orders (±100 pips)	26%	12%	-8%	5%

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

USD/JPY Daily Chart Current price: 122.56



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			128
		127	
		125	125
	125		
	123.49		
	122.91	123	123
	122.57		
	122.07	122	
	121.77		
	121.43	121	

	Level	Rationale
■ Resistance 3	123.49/60	Monthly R2; weekly R1
■ Resistance 2	122.91	Weekly PP
■ Resistance 1	122.57	20-day SMA
■ Support 1	122.07/04	Weekly S1; monthly R1
■ Support 2	121.77	100-day SMA
■ Support 3	121.43/38	200-day SMA; weekly S2

Gold sees no value change during Thanksgiving



"Once again, gold is unable to find a bid. Any small rally that we see is being sold into."

- Sydney-based precious metals trader (based on CNBC)

Pair's Outlook

The bullion was literally unchanged in price on Thursday, which is explained by US Bank Holiday and low volatility in both commodity and FX markets. Price opened and closed just above July low at 1,070. On Friday morning we see some downward activity taking place, but we expect the overall daily trading range to stay quite narrow. In any case, gold is required to trade below July low for two consecutive days, in order to confirm this support. Trading volume crashed 2.5 times since last week's peak and will support light trading in the near term.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment. More than 72% of SWFX traders are holding long positions, no change in the past 24 hours. However, risks are skewed to the downside as gold seems to be overbought.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	44%	44%	43%

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

XAU/USD Daily Chart Current price: 1068.06



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
		1244	
	1233		1225
	1150	1148	1150
	1105		
		1083	
			1062
	1089		
	1080		
	1070		
	1062		
	1055		
	1046		

	Level	Rationale
Resistance 3	1,089	20-day SMA
Resistance 2	1,080	Weekly PP
Resistance 1	1,070	Jul low
Support 1	1,062/59	Weekly S1; monthly S2
Support 2	1,055	Bollinger band
Support 3	1,046/44	Weekly S2; 2010 low

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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