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



Technical Analysis

EUR/USD awaits another impetus



“The dollar rally will come more from economic weakness elsewhere than the strength in the U.S. economy.”
- Societe Generale (based on Bloomberg)

Pair's Outlook

EUR/USD pair fluctuated with no broad changes on Thursday, similar to those the same cross had posted back before Wednesday for eight consecutive days. The exchange rate is therefore currently guided by the weekly S2 at 1.1264, but the mid-term bearish focus is keeping eye on the 1.12 zone that is backed by the monthly pivot and weekly S3. Additionally, the 55-day SMA is sloping to the North near 1.1169 and will provide extra demand. Dips below here are unlikely over Friday, also because the indicators are predominantly long on the Euro.

Traders' Sentiment

42% of all SWFX positions are bullish in the morning on Friday, no change for a third day in a row. On the other hand, pending orders set to trade the EUR/USD currency pair have finally moved in a positive direction to become 46-47% long (less than 40% yesterday).

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-16%	-16%	-22%	-19%
Orders (±50 pips)	-8%	-22%	-18%	-10%
Orders (±100 pips)	-6%	-22%	-4%	-13%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
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	Buy	Sell
Alligator (13; 8; 5)	Buy	Neutral	Sell
SAR (0.02; 0.2)	Sell	Buy	Sell
Aggregate	↗	↗	↘

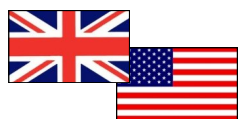
EUR/USD Daily Chart Current price 1.1263



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1391			
1.1329			
1.1264			
1.1204			
1.1169			
1.1054			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1391	Weekly PP
R2	1.1329	Weekly S1
R1	1.1264/93	Weekly S2; 20-day SMA
S1	1.1204/02	Monthly PP; weekly S3
S2	1.1169/22	55-day SMA; Bollinger band
S3	1.1054/37	200/100-day SMAs

GBP/USD: risks skewed to the downside



"Even if the polls break toward more clearly toward "Brexit" ahead of the 23 June referendum it's hard to see GBP forcefully unwinding its Brexit premium until the certainty of the vote is out of the way."

- Westpac Global Strategy Group (based on PoundSterlingLive)

Pair's Outlook

On Thursday the Sterling declined against the US Dollar, with the nearest support, namely the weekly PP, managing to limit the losses. Ever since the Cable bounced back from the five-week down-trend, the exchange rate kept edging lower. The weekly PP retains its role of the nearest support, but is unlikely to prevent the GBP/USD currency pair from falling deeper down. In this case the bearish momentum could extend towards the newly-formed falling wedge's support line at 1.4020, which is reinforced by the Bollinger band, the weekly and monthly S1s. Meanwhile, technical indicators are bolstering the possibility of the negative outcome.

Traders' Sentiment

Bullish sentiment remains unchanged at 64%, whereas the portion of orders to acquire the Pound increased from 45 to 54%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	28%	28%	38%	30%
Orders (±50 pips)	24%	0%	-6%	17%
Orders (±100 pips)	8%	-10%	0%	14%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Sell	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)	Sell	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell
Aggregate	↘	↘	↘

GBP/USD Daily Chart Current price 1.4151



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51		1.51	1.52
1.49			1.47
1.4408			
1.4252			
1.4218			
1.4151			
1.4029			
1.3834			

Level	Rationale
R3	1.4408 Bollinger band
R2	1.4252/96 Monthly PP; 55-day SMA; weekly R1
R1	1.4218 20-day SMA
S1	1.4151 Weekly PP
S2	1.4029/1.3979 Bollinger band; down-trend; weekly and monthly S1s
S3	1.3834 Weekly S2

Gold hits 55-day SMA, eyes rebound from here



“The rally earlier this week was tied to the strength of Japanese yen and risk aversion. But that has retreated now.”
- a Hong Kong-based gold trader (based on CNBC)

Pair's Outlook

The bullion posted another ultra-negative session on Thursday, by slumping as low as 1,229 by the end of US trading. Yesterday it eroded the weekly pivot point and the 20-day SMA resting around 1,232/35, thereby refocusing our attention to the formidable demand in face of the 55-day SMA at 1,225. We estimate no immediate failure of the bulls in recovering from here, meaning some bullishness is possible today. It is also indicated by strongly long weekly technical indicators. However, any descent below the moving average is going to affirm that gold maintains a clear medium-term selling mode.

Traders' Sentiment

A continuous plunge in gold prices is provoking a closure of short positions in the SWFX market. Over Thursday the percentage of bearish trades dipped from 63% to 61%.

XAU/USD Daily Chart Current price 1229.88



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1249			1250
1241			
1232			
1225			
1210	1206	1200	
1203			
		1125	1125
	1100		
	1071		
		1048	
			1037

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-22%	-26%	2%	-16%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	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)	Buy	Buy	Sell
Alligator (13; 8; 5)	Neutral	Buy	Sell
SAR (0.02; 0.2)	Sell	Buy	Buy
Aggregate	→	↑	→

Level	Rationale
R3	1,249 Weekly R1
R2	1,241 Monthly PP
R1	1,232/36 Weekly PP; 20-day SMA
S1	1,225/21 55-day SMA; weekly S1
S2	1,210/08 Bollinger band; March low
S3	1,203 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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