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RESEARCH PRODUCTS

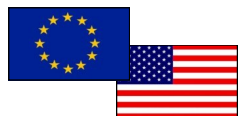
25/02/2016

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



Technical Analysis

EUR/USD enclosed between 1.1050 and 1.0950



“The EU referendum is skewing the euro picture toward caution and prudence.”

- Roberto Mialich, UniCredit SpA (based on Bloomberg)

Pair's Outlook

The pair stalled after it had broken through the 200-day moving average. From above the fluctuations are now limited by 1.1050, while any attempts of the bears to push the price lower are to be prevented by a dense demand area at 1.0970/50, which consists of the up-trend, monthly R1, and 100-day SMA. Eventually, however, the bulls should gather enough strength to throw the rate above 1.1050, which will pave the way for a multi-week recovery towards the October high.

Traders' Sentiment

There have been no changes in the SWFX sentiment since yesterday: 52% of positions are long and 48% are short. The share of sell orders increased from 52 to 54%.

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

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

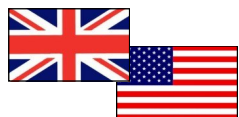
EUR/USD Daily Chart Current price: 1.1018



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1148			
1.1115			
1.1072			
1.0971			1.1
1.0863			
1.0808	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.1148	Weekly PP
■ Resistance 2	1.1115	Monthly R2
■ Resistance 1	1.1072/46	Weekly S1; 20 and 200-day SMAs
■ Support 1	1.0971/49	Weekly S2; monthly R1; 55 and 100-day SMA; up-trend
■ Support 2	1.0863/41	Weekly S3; monthly PP
■ Support 3	1.0808	Bollinger band

GBP/USD poised for more weakness



"Unsurprisingly, the concerns for the global economy have continued to have disastrous consequences for the pound, which often performs poorly in a risk-off environment."
- Currencies Direct (based on Business Recorder)

Pair's Outlook

On Wednesday the Cable suffered a rather serious decline for the third consecutive day this week, also crossing a strong support in face of the weekly S3 and the monthly S1. This cluster is now providing immediate resistance, with the Bollinger band now bolstering it. Although the prospects are bearish towards the GBP/USD, a possibility of the pair undergoing a corrective rally exists. If the Sterling manages to rise above 1.3950 dollars, we are likely to see the 1.40 level retaken. Contrariwise, with more bearish momentum the slump could extend even beyond 1.38.

Traders' Sentiment

Bulls keep retreating, as 65% of all open positions are now long (previously 67%). The number of buy orders surged from 54 to 57%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	30%	34%	16%	24%
Orders (±50 pips)	34%	20%	36%	28%
Orders (±100 pips)	14%	8%	12%	14%

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

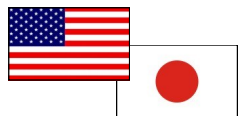
GBP/USD Daily Chart Current price: 1.3934



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5301	1.55		1.52
1.5002	1.51	1.51	
1.4703	1.49		1.47
1.4405		1.48	
1.4106			
1.3807			
1.3508			
1.3209			

	Level	Rationale
Resistance 3	1.4247	Weekly S1
Resistance 2	1.4091	Weekly S2
Resistance 1	1.3945/57	Monthly S1; weekly S3; Bollinger band
Support 1	1.3645	Monthly S2
Support 2	1.3505	2009 low
Support 3	1.3209	Monthly S3

USD/JPY keeps struggling to remain above 112.00



"No matter what happens, investors would buy the yen."
- Bank of Tokyo-Mitsubishi UFJ (based on Market Watch)

Pair's Outlook

Upon reaching the 111.00 yen, the US Dollar managed to regain the bullish momentum and close trade with a seven-pip rally yesterday. The support cluster circa 111.70, namely the monthly S3 and the weekly S1, once again proved to be strong, but could still give in today. Technical studies are now giving distinctly bearish signals in the daily timeframe, implying that the USD/JPY could fall back towards the 111.00 mark or lower—towards the weekly S2 at 110.67. In case bulls take over the market, we might see the nearest resistance in face of the weekly PP overcome.

Traders' Sentiment

Although not as strong as yesterday, but market sentiment remains bullish at 71% (previously 74%).

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	42%	48%	38%	32%
Orders (±50 pips)	-22%	-62%	40%	-6%
Orders (±100 pips)	2%	-48%	36%	-14%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Buy	Neutral
ADX (14)	Sell	Sell	Buy
CCI (14)	Neutral	Buy	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: 112.23



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

	Level	Rationale
■ Resistance 3	115.05	20-day SMA
■ Resistance 2	113.88/114.18	Monthly S2; weekly R1
■ Resistance 1	113.24	Weekly PP
■ Support 1	111.78/61	Monthly S3; weekly S1
■ Support 2	110.67	Weekly S2
■ Support 3	109.30/04	Bollinger band; weekly S3

Gold headed towards February high



"Gold's rally since the start of the year, which returned as much as 19 percent at its peak, may be petering out now."
- Sejul Gokal, Bloomberg

Pair's Outlook

The commodity keeps appreciating after establishing a strong base at 1,210 dollars (up-trend and monthly R3). The objective is now 1,264, namely this month's current maximum. In case the bulls remain in control of the market after probing this resistance, the next objective could be already as high as 1,307, which is the highest level seen last year. The majority of the technical indicators, however, is against a prolonged recovery—four out of eight are giving 'sell' signals, while only one is bullish and the rest are neutral.

Traders' Sentiment

In the meantime, the extent, to which the precious metal is oversold in the SWFX market, is only increasing. The percentage of short positions has grown from 71 to 74% during the last 24 hours.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	-48%	-42%	-34%	-36%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Neutral
ADX (14)	Buy	Buy	Sell
CCI (14)	Neutral	Sell	Neutral
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: 1239.09



Level	Rationale
Resistance 3: 1,296	Weekly R3
Resistance 2: 1,274/64	Weekly R2; Bollinger band; Feb high
Resistance 1: 1,246	Weekly R1
Support 1: 1,219	Weekly PP
Support 2: 1,211/10	Monthly R3; up-trend
Support 3: 1,198/95	Weekly S1; 20-day SMA

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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