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



Technical Analysis

EUR/USD rallies past 1.09 after ECB disappointment



"It'll take more than this to kill a euro bear, but it's going to be a more difficult winter for them."
- HSBC (based on Bloomberg)

Pair's Outlook

EUR/USD's surge by more than 300 points was hardly predictable yesterday, even though the ECB unveiled more support for economy. Daily growth of the Euro was the sharpest since 2009, while trading volumes spiked to reach 5-month high. The pair is managing to hold gains until the moment of writing on Friday. Both monthly PP and R1 were immediately eroded, supporting additional gains in the near term. However, EUR/USD will inevitably meet 55, 100 and 200-day SMAs in the range of 1.0996/1.1061. According to weekly technical indicators, a correction can start very soon.

Traders' Sentiment

The bullish portion of SWFX positions accounts for 48% today, no change on a daily basis. Meanwhile, pending orders have become more bearish in both 50 and 100-pip ranges from the spot price.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-4%	-4%	2%	-1%
Orders (±50 pips)	-12%	8%	-14%	-14%
Orders (±100 pips)	-18%	0%	-6%	-14%

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

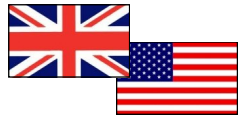
EUR/USD Daily Chart Current price: 1.0872



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11		1.11	
1.095			
1.0936			
1.0891	1.09		
1.0808			
1.0751		1.07	1.07
1.0665	1.06		
		1.05	
			1.03

Level	Rationale
Resistance 3: 1.0995/1.1008	55-day SMA; 50% Fib
Resistance 2: 1.0936	Bollinger band
Resistance 1: 1.0891/93	Monthly R1; 38.2% Fib
Support 1: 1.0808/1.0788	July low; weekly R3
Support 2: 1.0751/24	23.6% Fib; 20-day SMA; monthly PP; weekly R2
Support 3: 1.0665	Weekly R1

GBP/USD forms falling wedge from Thursday's surge



"It is still easier to support the dollar as the story is no longer just about the Fed hiking rates, but how frequently they could continue to tighten policy."
- State Street (based on Reuters)

Pair's Outlook

The US Dollar experienced a harsh sell-off on Thursday, mainly caused by the ECB's unexpected stimulus decision, as well as a set of weak US fundamentals. As a result, the Cable skyrocketed, meeting resistance only in face of the third cluster at 1.5145, namely the 20-day SMA and the weekly R1. A correction is likely to take place today, forcing the GBP/USD to drop below 1.51, with the target support located at 1.5088 in face of the weekly PP. However, disappointment in the US employment sector could trigger a rally, causing the Sterling to return above the 23.60% Fibi.

Traders' Sentiment

Although the share of bulls remains unchanged at 56%, the portion of orders to buy the Pound added 38 percentage points up to 72%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	12%	8%	5%
Orders (±50 pips)	64%	-16%	-6%	-11%
Orders (±100 pips)	44%	-32%	-14%	-12%

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

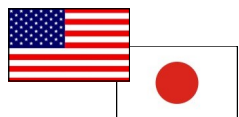
GBP/USD Daily Chart Current price: 1.5103



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5298			1.59
1.5250		1.58	
1.5183	1.56		
1.5146	1.54	1.54	1.54
1.5088	1.51	1.51	1.51
1.4983			

Level	Rationale
Resistance 3: 1.5298/1.5327	Down-trend; weekly R3; Bollinger band; 200-day SMA
Resistance 2: 1.5250/54	55-day SMA; weekly R2
Resistance 1: 1.5183/85	Monthly PP; 23.60% Fibi
Support 1: 1.5146/45	Weekly R1; 20-day SMA
Support 2: 1.5088	Weekly PP
Support 3: 1.4983/80	Bollinger band; weekly S1

USD/JPY muted in anticipation of Payrolls data



“The recent weak ISM data clearly illustrated the negative impact of the dollar’s appreciation. The US stock market may continue to be fragile, which is likely to discourage USD/JPY buying.”

- MUFG (based on FXStreet)

Pair’s Outlook

The US Dollar’s losses slightly exceeded expectations, as the pair stabilised at 122.59, rather than in front of the weekly PP at 122.74. Nevertheless, the USD/JPY is now facing a rather strong support cluster around 122.30, represented by the monthly PP, the weekly S1 and the Bollinger band. The pair’s exchange rate still has a 20-pip space to edge down, or even breach the immediate support cluster in case the Payrolls data disappoints too much; but the base case scenario is a rally towards the 20-day SMA and a possible retest of the weekly R1 at 123.22.

Traders’ Sentiment

Bearish market sentiment remains unchanged at 71%, whereas the number of purchase orders slightly dropped, from 68 to 65%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-42%	-42%	-46%	-44%
Orders (±50 pips)	38%	48%	36%	24%
Orders (±100 pips)	30%	36%	26%	24%

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

USD/JPY Daily Chart Current price: 122.76



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
123.51			128
123.22		127	
122.74		125	125
122.36	125	125	
121.74	123	122	123
121.53	121		

Level	Rationale
Resistance 3: 123.51	Bollinger band
Resistance 2: 123.22	Weekly R1
Resistance 1: 122.74/89	Weekly PP; 20-day SMA
Support 1: 122.36/22	Monthly PP; Bollinger band; weekly S1
Support 2: 121.74/73	Weekly S2; 100-day SMA
Support 3: 121.53	200-day SMA

Gold supported by ECB decision as trading volume spikes



"Further dollar short-term weakness will support the precious complex. Support levels for gold are in the mid 1,040's and immediate resistance in the high 1,060's."

- MKS Group (based on CNBC)

Pair's Outlook

The precious metal hovered in positive direction on Thursday, especially pricing in the "hawkish easing" from the ECB, which sent the Dollar strongly lower in the market. In the past two weeks we have seen more green candles appearing in the daily chart. It proclaims that an active phase of losses has probably come to an end, as markets are refocusing from the ECB to the Fed. We expect the bullion to trade predominantly sideways, unless either July low at 1,070 or 2010 low at 1,044 is breached. The mid-term projection, however, will continue carrying the bearish bias.

Traders' Sentiment

After losing four percentage points in the past 24 hours, the portion of bullish positions dipped down to 67% in the SWFX market.

XAU/USD Daily Chart Current price: 1059.80



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233	1244		
		1225	
1150	1148	1150	
1105			
	1083		
1074			
1070			
1063			
1056			
1046			
1035			
		1062	

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	34%	42%	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	Sell	Sell
CCI (14)	Neutral	Buy	Buy
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Sell	Neutral	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

	Level	Rationale
Resistance 3	1,074/77	Weekly R1; 20-day SMA
Resistance 2	1,070	Jul low
Resistance 1	1,063	Weekly PP
Support 1	1,056	Bollinger band
Support 2	1,046/44	Weekly S1; 2010 low
Support 3	1,035/30	Weekly S2; 2008 high; monthly S1

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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