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



Technical Analysis

EUR/USD ticks higher after Fed meeting



“The Fed is really in a wait-and-see mode. They want to see if everything in the global economy and financial markets is really going to bleed through and affect inflation and their outlook for the economy.”
- Moody's Analytics (based on Bloomberg)

Pair's Outlook

A dense and difficult resistance cluster ahead of the spot makes the mid-term bearish scenario much more likely than the bullish one. Short-term volatility can be positive for the Euro, with gains having a chance to be extended up to Dec-Jan downtrend and 100-day SMA at 1.0954/75. If it gets no correction from here, then EUR/USD will be estimated to fail near 200-day SMA at 1.1053. Bears are determined to retake a Dec-Jan uptrend around 1.0840, followed by current January lows near 1.0715. A long-term focus is on the Dec low at 1.0521, as assumed by aggregate weekly/monthly indicators.

Traders' Sentiment

SWFX bears remain in the majority of 55% for open positions. At the same time, 50-pip pending orders surged yesterday from 47% to 57% and are now expecting gains for the Euro.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-8%	-10%	-10%
Orders (±50 pips)	14%	-6%	-12%	-6%
Orders (±100 pips)	-8%	-18%	-8%	-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	Neutral	Neutral
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Sell	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

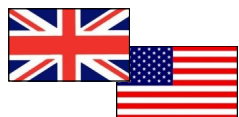
EUR/USD Daily Chart Current price: 1.0883



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1047			
1.0954			1.1
1.0921			
1.0872			
1.0812	1.08	1.08	
1.0723			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.1047/53	Weekly R2; 200-day SMA
Resistance 2	1.0954/75	Downtrend; Bollinger band; 100-day SMA
Resistance 1	1.0921	Weekly R1
Support 1	1.0872/31	20/55-day SMAs; weekly PP
Support 2	1.0812/1.0779	Monthly PP; Bollinger band
Support 3	1.0723	Weekly S1

GBP/USD prepares for a lift-off from 1.4230



"On a trade-weighted basis sterling did very well last year and given the concern over inflation and competitiveness, that strength was probably unwelcome."

- Societe Generale (based on Reuters)

Pair's Outlook

Yesterday, the Cable completed a pullback after it had breached the accelerated falling trend-line earlier this week. Accordingly, even though the indicators are bearish, there is a good possibility the currency pair will rebound from the new formidable demand area around 1.4230, consisting of the trend-line, 2010 low, and weekly pivot point. The target for the next several days is therefore at 1.44 dollars, where the monthly S2 merges with the weekly R1 and 20-day moving average.

Traders' Sentiment

Cheaper Sterling spurred buying, and the share of longs in the SWFX market increased from 61 to 65%. However, the percentage of buy commands declined, from 58 to 45%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	30%	22%	24%	28%
Orders (±50 pips)	-16%	30%	-34%	-9%
Orders (±100 pips)	-10%	16%	-36%	-12%

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

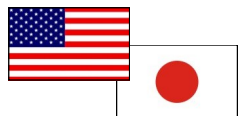
GBP/USD Daily Chart Current price: 1.4249



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.51	1.51	1.52	
1.49			
1.48			
1.47			
1.4567			
1.4520			
1.4408			
1.4238			
1.4112			
1.4053			

	Level	Rationale
■ Resistance 3	1.4567	Monthly S1
■ Resistance 2	1.4520	Weekly R2
■ Resistance 1	1.4408/1.4390	Weekly R1; monthly S2; 20-day SMA
■ Support 1	1.4238/30	Weekly PP; 2010 low; down-trend
■ Support 2	1.4112	Weekly S1
■ Support 3	1.4053/33	Monthly S3; Bollinger band

USD/JPY to aim for 120.50 yen above monthly S1



“Overall, the [FOMC] statement reflects the caution that one would expect a central bank to use in the current volatile environment. But the Fed hasn't deviated from its previous message, with future moves in rates remaining in the hands of the incoming data.”
- ANZ (based on CNBC)

Pair's Outlook

At the moment, USD/JPY appears to be on its way back to the major support trend-line the pair has recently (Jan 4) breached. The price exited the bearish channel (Nov 29-Jan 20) to the upside, meaning we are likely to see the latest rally developing until it hits the level of 120.50 yen. There supply is implied by a number of studies, including the mentioned broken trend-line and 55- and 100-day SMAs, which is sufficient to initiate a strong and prolonged sell-off.

Traders' Sentiment

Yesterday's FOMC statement did not have any effect on the sentiment in the SWFX market whatsoever. Just as 24 hours ago, 72% of open positions are short. Although the portion of buy orders increased, but insignificantly—from 58 to 61%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-44%	-44%	-40%	-39%
Orders (±50 pips)	26%	18%	24%	7%
Orders (±100 pips)	22%	16%	-32%	2%

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

USD/JPY Daily Chart Current price: 118.65



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

	Level	Rationale
■ Resistance 3	120.64/50	Up-trend; 55- and 100-day SMAs
■ Resistance 2	119.78/77	Weekly R1; Bollinger band
■ Resistance 1	118.93	Monthly S1
■ Support 1	118.12	20-day SMA
■ Support 2	117.87	Weekly PP
■ Support 3	117.63	Monthly S2

Gold is at risk of correction from monthly R3



"A lot of investors weren't buying the idea that there were going to be four rate hikes in 2016, and this certainly adds weight to that idea...it gave gold a boost."

- OptionSellers.com (based on Wall Street Journal)

Pair's Outlook

Gold booked another trading session of gains on Wednesday, after the Fed statement indicated lower probability of a rate hike in March. XAU/USD reached last monthly resistance (monthly R3) at 1,127. However, it failed to touch 200-day SMA slightly more from the upside. Asian session suggests a correction within the rising wedge pattern. This would allow for a selloff down to 1,085 in the medium-term. Initial bearish target for the next 24 hours is 100-day SMA at 1,104, which is guarded by weekly R1 and monthly R2 at 1,110/07. Nonetheless, daily technical indicators are calm and maintain mixed outlook.

Traders' Sentiment

With 53%, the bullish SWFX market share slumped to the lowest level in three months.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Positions	6%	8%	10%	10%

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

XAU/USD Daily Chart Current price: 1120.14



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1150			
1137			
1123			
1110		1125	1125
1104	1100		
1098			
1071			
1048			
1037			

	Level	Rationale
■ Resistance 3	1,150	Downtrend
■ Resistance 2	1,137	Weekly R3
■ Resistance 1	1,123/30	Bollinger band; weekly R2; monthly R3; 200-day SMA
■ Support 1	1,110/07	Weekly R1; monthly R2; downtrend
■ Support 2	1,104	100-day SMA
■ Support 3	1,098/96	Sep 2015 low; weekly PP; 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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