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



Technical Analysis

EUR/USD spikes to monthly R1 after soft Fed



“The market’s reaction of selling dollars actually serves the Fed well as it creates favorable conditions for a country raising rates while capping its currency’s strength.”
- Sumitomo Mutsui Trust Bank (based on Bloomberg)

Pair’s Outlook

The Federal Reserve turned somewhat bearish on monetary policy yesterday, therefore leading to weaker Greenback and uplifted EUR/USD cross. The rally exceeded 100 pips and was stopped by the first monthly resistance, as it had been expected. We are not ruling out a setback on Thursday and a correction to the downside, while even the daily RSI indicator assumes the pair became overbought on the basis of 24 hours. However, in case the bulls manage to push EUR/USD beyond 1.1227 and close there, then next bullish goals will be two major downtrends around 1.1330.

Traders’ Sentiment

Only one percent was lost on the bullish side of open positions, down to 41% from 42%. Alongside, pending orders continue to support a rally of the Euro in 54-51% of cases depending on the range from the spot.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-16%	-2%	-7%
Orders (±50 pips)	8%	22%	-22%	-2%
Orders (±100 pips)	2%	12%	-12%	-1%

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

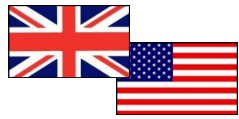
EUR/USD Daily Chart Current price: 1.1221



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1377			
1.1298			
1.1227			
1.1081			1.1
1.1021			
1.0920			
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
R3	1.1377 Feb high
R2	1.1298/1.1347 Bollinger band; weekly R1; downtrend lines
R1	1.1227 Monthly R1
S1	1.1081/41 20/200-day SMAs; weekly PP
S2	1.1021/01 Monthly PP; 55-day SMA
S3	1.0920/06 100-day SMA; weekly S1

GBP/USD muted ahead of BoE decision



"The magnitude of the dollar's reaction signals that investors were waiting for a reason to sell dollars."
- BK Asset Management (based on Business Recorder)

Pair's Outlook

The British Pound managed to recover from its intraday low yesterday, amid a dovish Fed statement. As a result, the monthly PP was once again confirmed as a strong support, as it pushed the Cable to close 40 pips under the 1.43 target. Technical indicators retain their bullish signals today, suggesting that another rally is likely to take place, this time pushing the GBP/USD currency pair above 1.43. The weekly PP and the 55-day SMA form a rather strong resistance cluster around 1.4320, which could provide sufficient supply to limit the gains. In case bears prevail, the monthly PP at 1.4141 is still the bottom floor.

Traders' Sentiment

Although not as strong as yesterday, but SWFX market sentiment remains bullish at 60% (previously 65%). The share of purchase orders edged 11% points lower, they now take up 45% of the market.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	20%	30%	20%	17%
Orders (±50 pips)	-8%	2%	-16%	-5%
Orders (±100 pips)	-10%	12%	-18%	0%

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

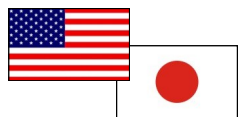
GBP/USD Daily Chart Current price: 1.4237



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51			1.52
1.49	1.51	1.51	
1.48			1.47
1.4510			
1.4446			
1.4314			
1.4192			
1.4151			
1.3996			

Level	Rationale
R3	1.4510 Weekly R1
R2	1.4446/62 Monthly R1; Bollinger band
R1	1.4314/26 Weekly PP; 55-day SMA
S1	1.4192 Weekly S1
S2	1.4151/41 20-day SMA; monthly PP
S3	1.3996 Weekly S2

USD/JPY poised for more weakness



“The Fed struck a very dovish tone, marking down its projected rate increase trajectory, while noting overall resilience in the U.S. economy and the absence of inflation pressures, this should be encouraging for risk sentiment and risk assets.”
- DriveWealth LLC (based on Reuters)

Pair's Outlook

The Fed's dovish statement weakened the US currency on Wednesday, allowing the Yen to push the pair beyond the triangle pattern's support line. More bearish momentum is now expected to follow, but with the closest support located at 111.90, represented by the lower Bollinger band. Meanwhile, technical studies in the longer timeframes keep giving bearish signals, bolstering the probability of the negative outcome. Furthermore, the immediate resistance in face of the weekly S1 just above the opening price is weighing on the USD/JPY pair, but the exchange rate could still remain above 112.00, as this major level kept the US Dollar afloat for six weeks now.

Traders' Sentiment

The Greenback is somewhat overbought, as 74% of traders still hold long positions. The portion of buy orders increased from 44 to 64%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	48%	48%	48%	46%
Orders (±50 pips)	-26%	0%	-8%	-14%
Orders (±100 pips)	28%	-12%	32%	13%

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

USD/JPY Daily Chart Current price: 112.06



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

	Level	Rationale
■ R3	113.50/77	Weekly PP; down-trend
■ R2	113.11	20-day SMA
■ R1	112.56	Weekly S1
■ S1	111.90	Bollinger band
■ S2	111.28	Weekly S2
■ S3	110.34	Weekly S3

Gold rallies beyond 1,260 amid Fed decisions



“The market jumped after the Fed meeting but there are a lot of people on the long side, so some sort of profit-taking is happening today.”

- Lee Cheong Gold Dealers (based on CNBC)

Pair's Outlook

The bullion commenced a reliable recovery on Wednesday, owing to softer than expected rate projections from the Fed. Backed by the January uptrend line, gold soared through the weekly PP and touched the February high at 1,263. Medium-term risks, however, are skewed to the South, particularly because the metal is fluctuating inside the rising wedge pattern. To erode these concerns, XAU/USD is has to violate the six-month resistance located around 1,287. At the same time, on the basis of next 24 hours gold can become a subject to a bearish correction, even though this scenario is still disagreed by daily technical indicators.

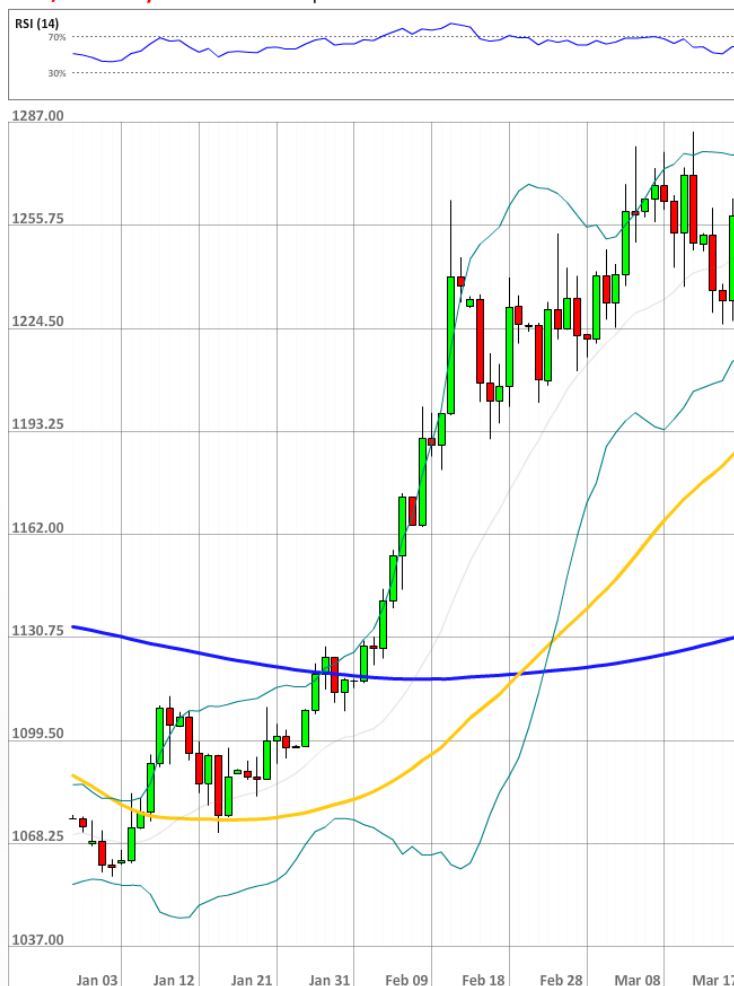
Traders' Sentiment

The number of SWFX long open positions dipped down to 38% by Thursday morning from 45% a day ago. This is the worst share of the bulls in 12 working days.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-24%	-10%	-18%	-16%

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

XAU/USD Daily Chart Current price: 1258.56



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1287			
1274			
1263			
1257			
1239			1250
1210	1206	1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,287 Uptrend
R2	1,274/77 Bollinger band; weekly R1
R1	1,263 Feb high
S1	1,257 Weekly PP
S2	1,239/30 20-day SMA; uptrend; weekly S1
S3	1,210/03 Weekly S2; monthly PP; Bollinger band

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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