



DUKASCOPY
RESEARCH PRODUCTS

05/01/2016

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



Technical Analysis

EUR/USD tumbled to settle near 1.0830



“Looking ahead, it should take at least until the second half of the year before German headline inflation at least crosses the 1%-threshold again.”

- ING (based on WBP Online)

Pair's Outlook

EUR/USD posted minor losses during the first trading day of 2016, even though daily highs and lows ranged from 1.0950 to 1.0780. Weak US production data limited that Euro's decline on Monday, and the pair managed to close above the crucial support represented by the monthly pivot point and July 2015 low. Focus remains on the downside, as it seems that EUR/USD is building another bearish channel in the daily chart. However, inability to violate the 1.08 demand for a second time could result in purchases of the pair and an advance in the direction of the weekly pivot point at 1.09.

Traders' Sentiment

The SWFX bulls are still remaining in the minority of 43%, while the bears are holding 57% of all positions at the moment.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-14%	-14%	-13%
Orders (±50 pips)	-12%	20%	-4%	-11%
Orders (±100 pips)	-32%	8%	10%	-11%

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

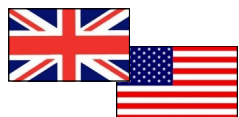
EUR/USD Daily Chart Current price: 1.0829



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.0997			
1.0948			1.1
1.0853			
1.0812	1.08	1.08	
1.0761			
1.0669			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
Resistance 3: 1.0997/1.1008	Bollinger band; 50% Fib
Resistance 2: 1.0948	Weekly R1
Resistance 1: 1.0853/1.09	55/20-day SMAs; 38.2% Fib; weekly PP
Support 1: 1.0812/08	Monthly PP; weekly S1; July 2015 low
Support 2: 1.0761/51	Bollinger band; weekly S2; 23.6% Fib
Support 3: 1.0669	Weekly S3

GBP/USD in tight range between 1.4650 and 1.48



"Global weakness could throw a wrench against another U.S. rate hike."

- Western Union Business Solutions (based on Business Recorder)

Pair's Outlook

Cable's volatility yesterday was limited by the immediate support and resistance, while the GBP/USD ended the day relatively unchanged with a slight move to the downside. Even though the pair remains in a bearish trend, a corrective rally might occur today, without the violation of the resistance in face of the weekly PP. Technical indicators, however, keep giving mixed signals in the daily timeframe, unable to support the positive outlook, suggesting a decline towards the weekly S1 and the Bollinger band around 1.4655 is possible.

Traders' Sentiment

Today 51% of all open positions are long, compared to 65% yesterday. The percentage of buy orders increased from 49 to 63%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	30%	32%	28%
Orders (±50 pips)	32%	-4%	2%	1%
Orders (±100 pips)	26%	-2%	18%	10%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Buy	Buy
ADX (14)	Sell	Neutral	Sell
CCI (14)	Buy	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: 1.4716



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5457	1.55		
1.5315			1.52
1.5172	1.51	1.51	
1.5030	1.5012		
1.4887	1.4878	1.49	
1.4744	1.4802	1.48	
1.4602	1.4668		
1.4459	1.4593		1.47
	1.4459		

	Level	Rationale
Resistance 3	1.5012	Weekly R2
Resistance 2	1.4878/1.4936	Weekly R1; monthly PP; 20-day SMA
Resistance 1	1.4802	Weekly PP
Support 1	1.4668/39	Bollinger band; weekly S1
Support 2	1.4593/65	Weekly S2; monthly S1; 2015 low
Support 3	1.4459	Weekly S3

Gold's bulls are penetrating two-month downtrend



"The Middle East tensions will continue to support gold for the time being."

- a trader in Hong Kong (based on CNBC)

Pair's Outlook

Risk-averse sentiment among market participants made the precious metal increasingly buoyant on Monday. After piercing through the Nov-Dec downtrend line, gold approached a vital resistance in face of the weekly R2, monthly R1, upper Bollinger band and 55-day SMA at 1,084. However, the daily close was fixed around 1,075 and below the two-month trend-line. However, Tuesday morning we are seeing extra bullish momentum, which is pushing the bullion higher. Any consolidation above 1,075 will expose the 1,084 supply zone. Moreover, the bulls are getting additional support from monthly/weekly PPs at 1,065.

Traders' Sentiment

Yesterday the portion of SWFX bullish positions deteriorated back to 54%, down from 56% where the share of the longs stood since Thursday of the previous week.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	12%	10%	10%

Indicator/Period	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	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

XAU/USD Daily Chart Current price: 1077.18



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1125		1125	1125
1107			
1100			
1091			
1084			
1074	1071		
1065			
1055		1048	
			1037

	Level	Rationale
■ Resistance 3	1,107/10	Monthly R2; 100-day SMA
■ Resistance 2	1,091	Weekly R3
■ Resistance 1	1,084/87	Bollinger band; weekly R2; monthly R1; 55-day SMA
■ Support 1	1,074/70	Weekly R1; downtrend; 20-day SMA
■ Support 2	1,065	Weekly and monthly PP
■ Support 3	1,055/53	Bollinger band; weekly 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



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.