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



Technical Analysis

EUR/USD breaches 1.1250, sets eye on 1.1330



"The market's current mood is sufficiently downbeat and Yellen's language likely to be sufficiently hedged that there won't be a steep rally in U.S. dollar."

- Westpac Banking Corp (based on Bloomberg)

Pair's Outlook

Continuous worries about global economy helped the Euro in gaining more strength on Tuesday. EUR/USD penetrated the last monthly resistance line (monthly R3) at 1.1246 and closed the daily session near 1.13. Now the focus turns to the first weekly supply at 1.1330, which is guarded by the upper Bollinger band at 1.1344. A rally above here will imply extra optimistic sentiment, while core attention will then switch to the September 2015 high at 1.1460. Meanwhile, the move up is backed by aggregate daily technical indicators.

Traders' Sentiment

Yesterday the bulls regained only one percentage point to push their portion up to 39%. Meanwhile, bullish share of pending orders declined to 47-48% in both 50 and 100-pip ranges from the spot.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-22%	-24%	-18%	-15%
Orders (±50 pips)	-6%	36%	-4%	7%
Orders (±100 pips)	-4%	34%	-4%	5%

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

EUR/USD Daily Chart Current price: 1.1295



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1504			
1.1460			
1.1330			
1.1246			
1.1115			
1.1072			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.1504	Weekly R2
■ Resistance 2	1.1460	Sep 2015 high
■ Resistance 1	1.1330/44	Weekly R1; Bollinger band
■ Support 1	1.1246	Monthly R3
■ Support 2	1.1115	Monthly R2
■ Support 3	1.1072/53	Weekly PP; 200-day SMA

GBP/USD enjoys quiet trade ahead of fundamental data



"The pound remains on the back foot despite a less dovish than expected inflation report and an until now softer dollar."

- Citi (based on Business Recorder)

Pair's Outlook

On Tuesday demand at the immediate support cluster triggered a buying spree of the Cable, causing the pair to recover and stabilise just above the closest resistance level. Technical indicators now shifted to the bullish side, suggesting the bullish momentum is to be prolonged today. The Sterling has the potential to reach the 1.46 major level and encounter resistance in face of the Bollinger band around 1.4618. However, risks of the GBP/USD retesting the support trend-line circa 1.4350 also persist, depending on Yellen's testimony later today.

Traders' Sentiment

Confidence in the Pound keeps rising, with 57% of all positions now being long, whereas the share of buy orders surged from 44 to 49%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	14%	8%	-14%	8%
Orders (±50 pips)	-16%	2%	-6%	-4%
Orders (±100 pips)	-2%	-12%	-12%	-8%

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)	Sell	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

GBP/USD Daily Chart Current price: 1.4469



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55		1.52	
1.51	1.51		
1.4906	1.49		
1.4681		1.48	
1.4618		1.47	
1.4467			
1.4380			
1.4266			

	Level	Rationale
■ Resistance 3	1.4906/59	Weekly R2; 100-day SMA
■ Resistance 2	1.4681/1.4705	Monthly and weekly R1s; 55-day SMA
■ Resistance 1	1.4618	Bollinger band
■ Support 1	1.4467	Weekly PP
■ Support 2	1.4380/41	Monthly PP; 20-day SMA; up-trend
■ Support 3	1.4266	Weekly S1

Gold is contained by October 2015 high



"We suspect her [Yellen's] remarks will come across as unusually dovish, allowing the dollar to resume its descent and giving commodity markets a bit of a lift late in the day on Wednesday."

- INTL FCStone (based on CNBC)

Pair's Outlook

The seven-day long rally of the bullion was ultimately limited by the 1,191/93 resistance area, where gold met the October high of the previous year and weekly R1. We are closely watching this supply, because any market turmoil may end up with violation of these levels. In this case, the long traders will immediately expose the next resistance at 1,207/13 represented by the upper Bollinger band, monthly R3 and weekly R2. Gold will have a good chance to commence a down-leg from here, even though there are few fundamental signals the current growth phase is over.

Traders' Sentiment

After falling below the 50% threshold for the first time in more than a year, the share of bullish market participants on the SWFX market remains at 43%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-14%	10%	3%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Buy	Neutral	Sell
CCI (14)	Sell	Sell	Neutral
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: 1190.83



Level	Rationale
Resistance 3 (1,232)	May 2015 high
Resistance 2 (1,206/13)	Bollinger band; monthly R3; weekly R2
Resistance 1 (1,191/93)	Oct 2015 high; weekly R1
Support 1 (1,170/68)	Monthly R2; Aug 2015 high
Support 2 (1,156/54)	Sep 2015 high; weekly PP
Support 3 (1,143)	Monthly R1

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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