



DUKASCOPY
RESEARCH PRODUCTS

23/11/2015

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



Technical Analysis

EUR/USD to see rising volatility this week



"It's probably reasonable to think we can spend time down below \$1.05 now."
- National Australia Bank Ltd. (based on Bloomberg)

Pair's Outlook

EUR/USD bounced back from 1.0730 on Friday and posted an 80-pip loss during the trading session. Monday is important day in terms of EU and US fundamentals. A possible Fed announcement to raise a deposit rate may easily push EUR/USD below 1.06. We are looking at Apr low at 1.0519 as the next reliable support for this currency pair. This level is guarded by monthly/weekly S2 and lower Bollinger band, which are highly unlikely to give up quickly.

Traders' Sentiment

We continue observing the bullish lead over bears of around six percentage points, which makes it a 53-47% distribution of trades opened in the SWFX market. Despite that, only 32% of traders have set their pending orders in 100-pip range to go long on the common European currency.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	4%	10%	7%
Orders (±50 pips)	-34%	-8%	-14%	-9%
Orders (±100 pips)	-36%	-18%	-22%	-17%

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

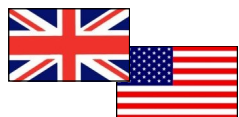
EUR/USD Daily Chart Current price: 1.0629



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09			
1.0808			
1.0733			
1.0674			
1.06			
1.0586			
1.0543			
1.0461			
			1.03

	Level	Rationale
■ Resistance 3	1.0808/21	Jul low; 20-day SMA; weekly R2
■ Resistance 2	1.0733/68	Weekly R1; monthly S1
■ Resistance 1	1.0674	Weekly PP
■ Support 1	1.0586	Weekly S1
■ Support 2	1.0543/19	Bollinger band; weekly and monthly S2; Apr low
■ Support 3	1.0461	Mar low

GBP/USD attempts to return above key support



"With the futures market pricing in a close to 70 percent odds of a December rate action, USD strength is likely to persist."
- IG Securities (based on Business Recorder)

Pair's Outlook

Last Friday the Sterling suffered a heavier-than-anticipated loss against the US Dollar, slumping over 100 pips, therefore, erasing all weekly gains. The 23.60% Fibo managed to stop the fall and should cause a rebound; however, trade opened under the 23.60% Fibo today, diminishing the Cable's ability to appreciate. Meanwhile, the immediate support is located at 1.5114, namely the weekly S1, but is unlikely to hold the pair from falling deeper in case of a dovish Fed statement. On the other hand, the weekly PP and 20-day SMA should prevent the GBP/USD from rising higher if bulls take over.

Traders' Sentiment

Bears remain in the majority, taking up 57% of the market (previously 61%). The share of sell orders edged up from 58 to 70%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-22%	-12%	-18%
Orders (±50 pips)	-32%	10%	-20%	-17%
Orders (±100 pips)	-40%	-16%	-22%	-19%

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

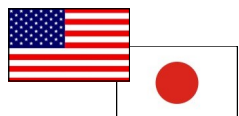
GBP/USD Daily Chart Current price: 1.5158



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5781		1.58	
1.5661			
1.5542	1.56		
1.5423	1.54	1.54	1.54
1.5303	1.51	1.51	1.51
1.5184			
1.5064			
1.4945			

	Level	Rationale
Resistance 3	1.5295/1.5307	Weekly R1; 55-day SMA
Resistance 2	1.5225/48	Weekly PP; 20-day SMA
Resistance 1	1.5185	23.60% Fibo
Support 1	1.5114	Weekly S1
Support 2	1.5043	Weekly S2; Bollinger band
Support 3	1.4945/33	Monthly S2; weekly S3

USD/JPY acts on Japan's bank holiday



"With limited progress on structural reforms that could boost productivity, Abenomics has not significantly improved the long-run outlook for Japan's economy."

- Capital Economics (based on WBP Online)

Pair's Outlook

Although the USD/JPY edged lower at the end of last week, the loss was only nine pips big. The Greenback is expected to take advantage of the bank holiday in Japan, partially recovering from the previous week's losses. The immediate resistance is now represented by the weekly pivot point, while the up-trend remains the nearest support, now also bolstered by the 20-day SMA. Technical studies retain mixed signals, in spite of which, the US currency has a solid chance of retaking the 123.00 level and even reaching the second resistance if the fundamentals surprise with positive figures.

Traders' Sentiment

Today 73% of traders are holding long positions (previously 74%), whereas the number of buy orders inched 7% points up to 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-48%	-48%	-47%
Orders (±50 pips)	44%	-38%	14%	21%
Orders (±100 pips)	6%	-8%	8%	12%

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

USD/JPY Daily Chart Current price: 123.12



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.31			128
123.49		127	
122.91	123	125	125
122.24		122	
121.75			123
121.38	121		

Level	Rationale
Resistance 3: 124.31/44	Bollinger band; weekly R2
Resistance 2: 123.49/60	Monthly R2; weekly R1
Resistance 1: 122.91	Weekly PP
Support 1: 122.24/04	Up-trend; 20-day SMA; weekly S1; monthly R1
Support 2: 121.75	100-day SMA
Support 3: 121.38/36	Weekly S2; 200-day SMA

Gold determined to cross July low at 1,070



"Despite popular opinion, gold's strongest periods of price appreciation over the past 50 years have coincided with rising interest rates. So I think a rise in rates could actually be beneficial for gold."

- MineLife Pty Ltd. (based on Bloomberg)

Pair's Outlook

After moderate losses at the end of last week, gold opened substantially lower Monday morning. The bullion is setting eye on July low, which capped a decline twice during the previous working week. Bearish risks are also rising before today's announcement of the Fed. In case the 1,070 mark is crossed, the likelihood of monthly S2's (1,059) violation will increase. Trading volume remains high, meaning volatility is going to be uplifted. Meanwhile, in the aggregate, daily technical indicators are currently pointing downwards.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, as more than 70% of SWFX traders are holding long positions. On Friday the bullish scenario was supported by 72% of traders.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	40%	44%	44%	37%

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

XAU/USD Daily Chart Current price: 1071.59



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1113			
1105	1105		
1083		1083	
1070			1062
1062			
1046			

	Level	Rationale
Resistance 3	1,113	Weekly R2
Resistance 2	1,095/1,100	Weekly R1; 20-day SMA; monthly S1
Resistance 1	1,080	Weekly PP
Support 1	1,070	Jul low
Support 2	1,062/59	Weekly S1; monthly S2
Support 3	1,046/44	Weekly S2; 2010 low

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.