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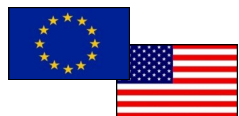
11/04/2016

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



Technical Analysis

EUR/USD faces tighter trading ranges



“Although the downside risks have diminished since earlier in the year, I still judge the balance of risks to my inflation and growth outlooks to be tilted slightly to the downside.”

- New York Fed President William Dudley (based on Reuters)



Pair's Outlook

EUR/USD was consolidating in a very narrow range last week, which makes the technical setup neutral for the upcoming working week. Weekly pivot points are placed much closer to each other, meaning now the major 1.15 resistance (October 2015 high) is safeguarded by the weekly R1 at 1.1457. The weekly S1 is in turn located at 1.1329, followed by the 20-day SMA at about 1.1294. A break-out from any of these zones should raise volatility. Meanwhile, both daily and weekly aggregate technical studies suspect the break-out will happen in the upward direction.

Traders' Sentiment

For a third consecutive working day the total percentage of bullish SWFX positions is flat at just 39%. Pending orders are also bearish in both short and long ranges from the spot.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-22%	-22%	-18%	-18%
Orders (±50 pips)	-8%	-18%	-26%	-3%
Orders (±100 pips)	-22%	-4%	-22%	-8%

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

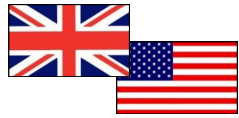
EUR/USD Daily Chart Current price 1.1409



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1519			
1.1485			
1.1457			
1.1391			
1.1329			
1.1294			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
			1.02
	1.03		
		1.01	

Level	Rationale
R3	1.1519 Weekly R2
R2	1.1485/95 Bollinger band; October 2015 high
R1	1.1457 Weekly R1
S1	1.1391 Weekly PP
S2	1.1329 Weekly S1
S3	1.1294/64 20-day SMA; weekly S2

GBP/USD attempts to prolong rally



“Even without the ‘Brexit’ headwinds, pound-dollar would have traded lower this year based on this inflation divergence. Markets are looking for any reason to sell the pound, while there’s limited buying appetite given the ‘Brexit’ event risk.”
- ING Groep NV (based on Bloomberg)

Pair’s Outlook

Last Friday the GBP/USD currency pair managed to regain the bullish momentum and retake the 1.41 major level, also erasing Thursday’s losses completely. The Cable still has room for a rally towards the 1.43 psychological level today, which is bolstered by a number of other important levels, namely the monthly PP, the weekly R1, the 20 and the 55-day SMAs. Nevertheless, there is another obstacle at 1.4151, represented by the weekly PP, which could also contribute to keeping the pair from appreciating. According to technical indicators, the Sterling is to continue declining versus the Buck, with the nearest support located just under the 1.40 mark.

Traders’ Sentiment

Market sentiment remains strongly bullish, as 66% of all open positions are long. Meanwhile, 65% of all pending orders are to buy the Pound.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	32%	38%	30%	24%
Orders (±50 pips)	40%	-6%	28%	6%
Orders (±100 pips)	30%	0%	10%	10%

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

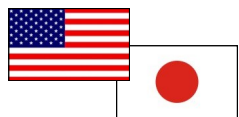
GBP/USD Daily Chart Current price 1.4126



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			
1.4467			
1.4243			
1.4151			
1.3979			
1.3834			
1.3663			

Level	Rationale
R3	1.4467/1.4505 Weekly R2; Bollinger band; 100-day SMA
R2	1.4243/96 20 and 55-day SMAs; monthly PP; weekly R1
R1	1.4151 Weekly PP
S1	1.3979/1.4005 Weekly and monthly S1s; Bollinger band
S2	1.3834 Weekly S2
S3	1.3663/50 Weekly S3; monthly S2

USD/JPY remains on the back foot



“Specifically in regards to weakening the JPY we believe that the BoJ lacks real tools to effectively weaken the JPY for extended period of time. Ineffective direct FX intervention will only further damage the central banks reputation.”
- Swissquote Bank (based on WBP Online)

Pair's Outlook

The US Dollar was unable to maintain trade above the 109.00 major level on Friday, ultimately retreating and closing with a 15-pip loss. The same resistance is likely to keep the USD/JPY pair from advancing today as well, namely the monthly S2 at 108.70, whereas the Bollinger band around 108.08 is providing immediate resistance. However, the chance of the nearest resistance getting pierced is relatively high, as the Greenback is support by a fresh 18-month low of 107.63. A breach of this level could trigger a sell-off, leading the exchange rate towards the monthly S3 and the weekly S1 at 106.60. Meanwhile, technical indicators are unable to confirm either scenario.

Traders' Sentiment

Today 72% of traders hold long positions (previously 74%), while the portion of sell orders edged higher from 49 to 54%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	44%	48%	48%	44%
Orders (±50 pips)	-14%	6%	28%	-12%
Orders (±100 pips)	-8%	2%	-24%	-14%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Neutral	Neutral
ADX (14)	Sell	Sell	Sell
CCI (14)	Buy	Buy	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 107.90



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

Level	Rationale
R3	110.63/66 Monthly S1; weekly R1
R2	108.70/109.16 Monthly S2; weekly PP
R1	108.08 Bollinger band
S1	107.63 18-month low
S2	106.74/53 Monthly S3; weekly S1
S3	105.03 Weekly S2

Gold breaks out of bearish channel



"Markets are still jittery about what's going on in the global economy... and gold is the preferred safe-haven."
- OCBC Bank (based on Financial Express)

Pair's Outlook

It seems that the 55-day SMA (1,216.61) is finally starting to have a greater influence on the bullion. Without touching this line, XAU/USD decided to start a confident recovery on Monday morning after the previous week of indecisiveness. Gold is soaring through both the monthly pivot point (1,241.50) and the weekly R1 at 1,250. Consolidation above the latter level, which also is the highest since March 23, will pave the way for a rally towards 1,260 (weekly R2, Bollinger band, February high). Bullish chances are boosted by the fact that the metal has broken out of the two-month channel down pattern.

Traders' Sentiment

Over the past weekend the percentage of the bulls has dipped to 37% from 51%, the lowest mark in 13 days. The market has thereby reestablished the majority status for the bears.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-26%	2%	-6%	-12%

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

XAU/USD Daily Chart

Current price 1248.95



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1274			
1260			
1249			
1241			1250
1233			
1221			
1206		1200	
1100		1125	1125
1071			
		1048	
			1037

Level	Rationale
R3	1,274 Monthly R1
R2	1,260/63 Weekly R2; Bollinger band; February high
R1	1,249 Weekly R1
S1	1,241 Monthly PP
S2	1,233/32 20-day SMA; weekly PP
S3	1,221/16 Weekly S1; 55-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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