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



# Technical Analysis

# EUR/USD attacks 1.09 amid profit-taking



*"There is no incentive to sell the euro now, with the ECB having taken action and no follow-through seen for some time."*

- Mizuho Securities Co. (based on Bloomberg)

## Pair's Outlook

The Euro was bid on Tuesday, as market participants attempted to fix profit from a decline that occurred Friday and Monday. Additional signs of buoyancy are coming from the fact that EUR/USD is currently able to trade above an important resistance, namely the 38.2% Fibonacci retracement of the Oct-Nov decline and monthly R1 (1.0892). A success here should encourage more purchases in the next 24 hours, with the bulls aiming at 55-day SMA at 1.0980. Another supply is created by 200-day SMA at 1.1030.

## Traders' Sentiment

Distribution between the bulls and bears is skewed significantly in favour of the latter, as they are holding 57% of all positions. Pending orders are also Euro-short, even though 50-pip commands dipped on Tuesday, while 100-pip orders improved from 39% to 48%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-12%	-10%	-5%
Orders (±50 pips)	-16%	-8%	0%	-11%
Orders (±100 pips)	-4%	-22%	-4%	-11%

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

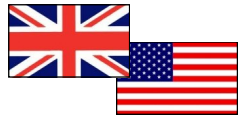
EUR/USD Daily Chart Current price: 1.0914



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1123			
1.1060			
1.0980			
1.0893			
1.0808			
1.0751			
1.13			
1.09			
1.07			
1.06			
1.05			
1.03			

Level	Rationale
Resistance 3: 1.1123	61.8% Fib
Resistance 2: 1.1060/68	100-day SMA; weekly R1
Resistance 1: 1.0980/1.1030	Bollinger band; 55 and 200-day SMAs; 50% Fib
Support 1: 1.0893/91	Monthly R1; 38.2% Fib
Support 2: 1.0808/1.0782	July low; weekly PP; 20-day SMA
Support 3: 1.0751/24	23.6% Fib; monthly PP

## GBP/USD risks falling back under 1.50



*"We think there has been a breakdown in the market sentiment in that the BoE's MPC will "follow" the FOMC, leading short-term interest rate spreads to move significantly in favor of the USD vs. the GBP."*  
- RBS (based on FXStreet)

### Pair's Outlook

Weak UK fundamentals triggered another GBP/USD sell-off yesterday, with the pair dropping towards the immediate support at 1.4960. Nonetheless, trade closed above the 1.50 major level, but technical indicators retain their bearish signals, suggesting another decline is possible. The weekly S1 and the Bollinger band around 1.4950 are to limit the dips, whereas the weekly PP keeps providing immediate resistance. None of these levels are expected to be broken today, with a chance of the Cable remaining flat, amid lack of market movers.

### Traders' Sentiment

Less traders retain a positive outlook towards the Pound, namely 58%. Meanwhile, the share of purchase orders slid from 74 to 42%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	16%	36%	0%	13%
Orders (±50 pips)	-38%	56%	-34%	-3%
Orders (±100 pips)	-16%	48%	-12%	1%

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

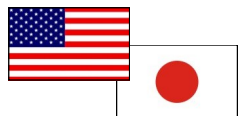
GBP/USD Daily Chart Current price: 1.5014



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5771		1.58	
1.5642			
1.5513	1.56		
1.5384	1.54	1.54	1.54
1.5255			
1.5126	1.51	1.51	1.51
1.4997			
1.4868			

Level	Rationale
Resistance 3: 1.5183/85	Monthly PP; 23.60% Fib
Resistance 2: 1.5127	20-day SMA
Resistance 1: 1.5058	Weekly PP
Support 1: 1.4956/49	Bollinger band; weekly S1
Support 2: 1.4915	Down-trend
Support 3: 1.4868	Monthly S1

# USD/JPY on the edge of negating last week's gains



*"Every time we see risk aversion, we see the market paring back short euro positions, short yen positions."*  
- Nordea Bank (based on Reuters)

## Pair's Outlook

The USD/JPY suffered a 44-pip loss yesterday, with the immediate support cluster preventing the pair from maintaining trade lower. The Yen remains strong due to ongoing oil price slump, with buoyant fundamentals providing an extra boost. The 20-day SMA is now the closest support, but a fall towards the cluster around 122.30 is possible, as demand for safe haven currencies (such as the Yen) is higher. Meanwhile, technical studies now have a proper sense of direction, emitting bearish signals in the daily timeframe.

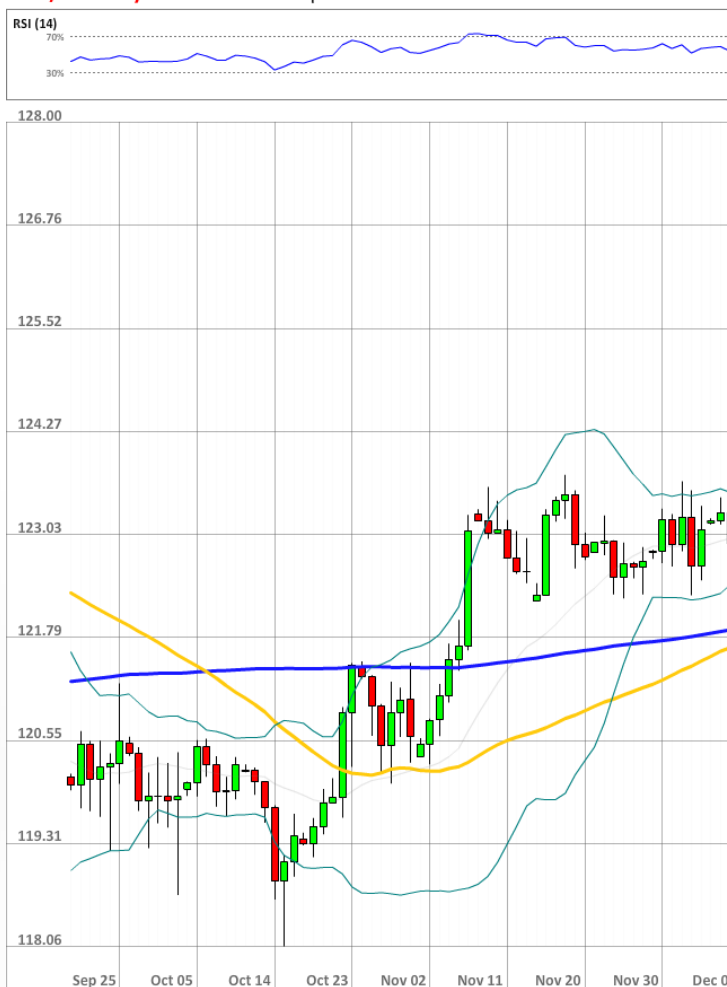
## Traders' Sentiment

Exactly three quarters of all open positions are now short (previously 71%). At the same time, the number of orders to acquire the US Dollar added four percentage points, up to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-50%	-42%	-42%	-45%
Orders (±50 pips)	42%	4%	28%	28%
Orders (±100 pips)	36%	28%	44%	31%

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

USD/JPY Daily Chart Current price: 122.71



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.39			128
123.54			127
123.00	125	125	125
122.91	123		123
122.36		122	
121.70	121		

	Level	Rationale
■ Resistance 3	124.39/47	Weekly R2; monthly R1
■ Resistance 2	123.54/75	Bollinger band; weekly R1; Nov high
■ Resistance 1	123.01	Weekly PP
■ Support 1	122.91	20-day SMA
■ Support 2	122.36/28	Weekly S1; monthly PP; Bollinger band
■ Support 3	121.70/43	55, 100 and 200-day SMAs; weekly S2

# Gold supported by July low, weaker Dollar



*"Gold will consolidate in the \$1,065 to \$1,085 range ahead of the Fed meeting."*

- Lee Cheong Gold Dealers (based on CNBC)

## Pair's Outlook

Persistent instability of the Greenback's value and positive Chinese inflation numbers are creating demand for gold on Wednesday, following a rise we have already observed on Tuesday. Technical support is provided by July low at 1,070 and weekly pivot point at 1,073. The nearest resistance is 20-day SMA at 1,078. A surge above this level will expose the monthly pivot point at 1,086, which acted as an impassable supply last Friday. Meantime, trading volume slumped to the lowest level in four days, paving the way toward lighter volatility in the near term.

## Traders' Sentiment

Following a short-living stabilization at 64% on Tuesday, the total number of bulls resumed falling down on Wednesday and reached 62%. It proclaims that bears are benefitting from gold's overbought status and are entering the SWFX market with fresh open positions.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	24%	28%	48%	38%

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

XAU/USD Daily Chart Current price: 1076.89



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1105	1105		
1095			
1086		1083	
1078			
1073			
1061			
1044			1062

Level	Rationale
Resistance 3 (1,095)	Bollinger band
Resistance 2 (1,086)	Monthly PP
Resistance 1 (1,078)	20-day SMA
Support 1 (1,073/70)	Weekly PP; Jul low
Support 2 (1,061/58)	Bollinger band; weekly S1
Support 3 (1,044)	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



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