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



Technical Analysis

EUR/USD consolidates below 1.09, eyes weekly S1



"We're going to continue to see (stimulus) policies coming out of the ECB and the BoJ."
- Macquarie Limited (based on Reuters)

Pair's Outlook

EUR/USD has ultimately confirmed its bearish intentions, as it managed to hold below the Jan-Feb uptrend for two days in a row. The first support today is offered by the weekly S1 at 1.0852, but any encouraging US ADP numbers later in the day may provoke a sell-off down to 1.0809, namely the Feb low. Ability to pierce through the latter will expose the third demand zone for Wednesday at 1.07 (Jan low, monthly S1). On the other hand, weekly technical indicators are long and we are not ruling out the possibility of a rebound toward the 100-day SMA, the first resistance, at 1.0928 over the next 24 hours.

Traders' Sentiment

Bullish advantage over the bears amounts to ten percentage points in the SWFX market. Adding to that, 54-55% of all pending orders are set to sell this currency pair in 50/100-pip ranges from the spot price.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	10%	6%	4%	0%
Orders (±50 pips)	-10%	-10%	-6%	-6%
Orders (±100 pips)	-8%	-4%	-4%	-7%

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

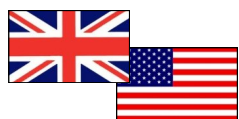
EUR/USD Daily Chart Current price: 1.0857



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1045			
1.0988			
1.0928			1.1
1.0852			
1.0809	1.08	1.08	
1.0726			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
R3 1.1045/65	200-day SMA; weekly R1
R2 1.0988/1.1021	Weekly and monthly PPs; 20-day SMA
R1 1.0928/65	100/55-day SMAs; uptrend
S1 1.0852	Weekly S1
S2 1.0809/1.0775	Feb low; weekly S2
S3 1.0726/09	Bollinger band; Jan low

GBP/USD expected to stabilise in the red zone



"The bias of the market is already short sterling and is already looking for the Bank of England to remain very dovish."

- Dominic Bunning, HSBC (based on Business Recorder)

Pair's Outlook

On Tuesday they Sterling managed to put the immediate resistance, namely the weekly PP, to the test, but trade still closed nearly 60 pips away from that level. The bullish momentum might once again push the Cable towards the nearest resistance or even higher if the fundamental data provides sufficient impetus, which could then result in a rally towards the second cluster around 1.4155. Technical studies, on the other hand, retain their bearish signals, implying that the overall four-week bias remains bearish. Consequently, a bearish development, if such occurs, is likely to be limited by the support area around 1.3740, represented by the Bollinger band and the weekly S1.

Traders' Sentiment

Although not as strong as yesterday, but market sentiment remains bullish at 60%, while the share of purchase order slid from 59 to 54%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	20%	26%	34%	27%
Orders (±50 pips)	22%	34%	20%	35%
Orders (±100 pips)	8%	18%	8%	17%

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

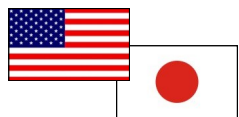
GBP/USD Daily Chart Current price: 1.3966



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51	1.51		1.52
1.49			
1.48		1.48	
1.47			1.47
1.4254			
1.4141			
1.4012			
1.3764			
1.3614			
1.3309			

Level	Rationale
R3	1.4254 20-day SMA
R2	1.4141/70 Monthly PP; weekly R1
R1	1.4012 Weekly PP
S1	1.3764/15 Weekly S1; Bollinger band
S2	1.3614/1.3505 Monthly S1; weekly S2; 2009 low
S3	1.3309/1.3261 Monthly S2; weekly S3

USD/JPY in limbo at 114.00 ahead of ADP data



"The BOJ's minus rate revealed the limits of policy, providing a factor that pushed up the yen. One has to acknowledge the limited impact of interest-rate policy on currencies."
- Shinji Kureda, Sumitomo Mitsui Banking Corp (based on Bloomberg)

Pair's Outlook

The return of risk appetite and better-than-anticipated US manufacturing data caused the Greenback to erase all Monday's losses against the Yen yesterday. However, risks of edging lower again today persist, despite the USD/JPY currency pair being supported by the 20-day SMA and the weekly PP just below the opening price of 114.00. This cluster could fail to keep the pair afloat and trigger a sell-off all the way down back to the 112.00 major level. Meanwhile, technical indicators keep giving mixed signals, thus, a possibility of the Buck reaching 15.00 yen, where the monthly PP coincides with the weekly R1, exists.

Traders' Sentiment

Nearly three quarters (74%) of all open positions are now long, whereas the portion of buy orders inched up from 52 to 57%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	48%	44%	48%	44%
Orders (±50 pips)	22%	-22%	-62%	2%
Orders (±100 pips)	14%	4%	-48%	-8%

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

USD/JPY Daily Chart Current price: 113.92



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125	125	125
123		123	
122			122
117.27			
115.95			
114.96			
113.83			
112.01			
111.10			

Level	Rationale
R3	117.27/91 55-day SMA; weekly R3
R2	115.95/116.56 Weekly R2; Bollinger band
R1	114.96/115.04 Weekly R1; monthly PP
S1	113.83/00 20-day SMA; weekly PP
S2	112.01 Weekly S1
S3	111.10 Bollinger band

Gold risks falling under February uptrend



"The selling (in gold) will likely continue going into Wednesday's session, especially if we see another round of strong buying set in over global equity markets."
- INTL FCStone (based on CNBC)

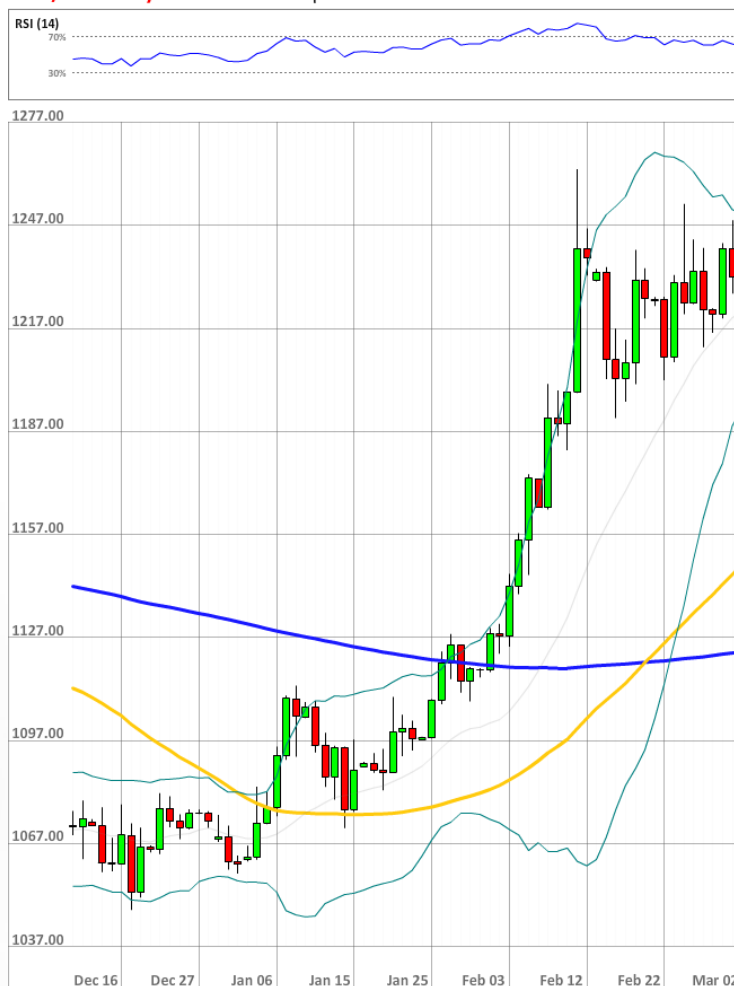
Pair's Outlook

Growing risk appetite across global stock markets pushed investment out of the safe haven metal, which bounced off daily highs at 1,248 yesterday. The February uptrend, currently at 1,222, is now at risk of being tested on Wednesday. Bearish success here offers the opportunity to send XAU/USD down to the 1,205/1,199 support cluster that consists of monthly PP, 20-day SMA and weekly S1. Moreover, there we have another demand in face of the January uptrend. However, daily indicators remain long on gold. If the weekly PP (1,225) holds ground, firstly the bulls will have to test recent peaks near 1,250.

Traders' Sentiment

Over the past 24 hours the bulls have gained 19 pp to push distribution between them and bearish market participants to a completely neutral level of 50-50%.

XAU/USD Daily Chart Current price: 1226.00



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1277			
1263			
1249			1250
1225			
1206	1206	1200	
1199			
		1125	1125
	1100		
	1071		
		1048	
			1037

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	0%	-38%	-42%	-38%

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

Level	Rationale
R3	1,277 Weekly R2
R2	1,263 Feb high
R1	1,249/53 Weekly R1; Bollinger band; Feb 24 high
S1	1,225/22 Weekly PP; uptrend
S2	1,206 Monthly PP; 20-day SMA
S3	1,199 Weekly S1; uptrend

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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