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06/04/2016

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



Technical Analysis

EUR/USD treads water as FOMC minutes near



"The [FOMC] minutes will reveal "a willingness to hike interest rates this year."

- Daiwa Capital Markets (based on MarketWatch)

Pair's Outlook

Yesterday the bears tried to take leadership over the EUR/USD currency pair, but all losses were ultimately eroded by revived bullish strength. Therefore, the cross keeps hovering around the February high at 1.1370, while getting ready for the release of FOMC meeting minutes later on Wednesday. A more hawkish surprise here will likely provoke a downshift in prices to the weekly pivot point at 1.1326, which is acting as the first immediate support line. However, aggregate daily technical studies are bullish and we are still not ruling out a spike towards the 1.15 area (Oct high; weekly R1).

Traders' Sentiment

For a second consecutive day the total number of SWFX's bearish and bullish traders is holding at the same level of 60% and 40%, respectively.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-20%	-18%	-8%	-14%
Orders (±50 pips)	-4%	-26%	16%	-2%
Orders (±100 pips)	-14%	-22%	6%	-5%

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

EUR/USD Daily Chart

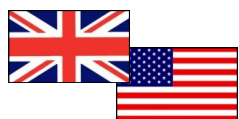
Current price 1.1366



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1586			
1.1495			
1.1444			
1.1326			
1.1245			
1.1108			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1586/1.1611	Monthly R1; weekly R2
R2	1.1495/1.15	October 2015 high; weekly R1
R1	1.1444	Bollinger band
S1	1.1326	Weekly PP
S2	1.1245/04	20-day SMA; weekly S1; monthly PP
S3	1.1108	55-day SMA

GBP/USD poised for more weakness



"Given that we've been told that the remain voters are less likely to vote and that the level of undecideds is still very significant, it's perhaps unsurprising that sterling remains very vulnerable."

- Rabobank (based on CNBC)

■ Pair's Outlook

The British currency experienced a rather sharp sell-off yesterday, edging below the six-week up-trend, with trade closing at 1.4162. The Sterling risks falling deeper down today, depending on the FOMC meeting results. Technically, a drop beyond the 1.41 psychological level is unlikely to occur. The weekly S1 and the Bollinger band also form a strong demand area around 1.4070, in case bears pull the exchange rate further down. According to technical indicators, the Pound has the potential to negate some of Tuesday's losses, while the resistance cluster around 1.4270 is to prevent the Cable from appreciating if the bullish momentum prevails.

■ Traders' Sentiment

Today 66% of all open positions are long (previously 69%), whereas the portion of buy orders increased again, namely from 53 to 62%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	32%	38%	-4%	24%
Orders (±50 pips)	8%	14%	-14%	12%
Orders (±100 pips)	24%	6%	-14%	7%








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)	Buy	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell
Aggregate	→	↘	↘

GBP/USD Daily Chart

Current price **1.4154**

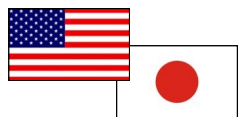


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
	1.55		
			1.52
	1.51	1.51	
	1.49		
		1.48	
			1.47
	1.4497		
	1.4421		
	1.4260		
1.4082			
1.4005			
1.3932			

	Level	Rationale
 R3	1.4497	Bollinger band
 R2	1.4421	Weekly R1
 R1	1.4260/77	Monthly and weekly PPs; 20 and 55-day SMAs
 S1	1.4082/58	Weekly S1; Bollinger band
 S2	1.4005	Monthly S1
 S3	1.3932	Weekly S2

USD/JPY struggles to preserve the channel

Wednesday, April 06, 2016
07:30 GMT



"It's quite difficult for the Japanese government to resort to measures directly aiming at reversing yen strength, like FX interventions or BOJ's additional easing, what the Japanese government can do at present is just to proceed with the organization of the fiscal stimulus package."
- Citigroup Securities (based on Reuters)

■ Pair's Outlook

Risk aversion caused the USD/JPY currency pair to experience a decline on Tuesday, with the pair edging lower towards the descending channel's support line. Although the channel lower border should trigger a rebound, risks of the pattern being broken are also high. Technical studies support the negative outlook with their bearish signals, while a catalyst for the movement in either direction is required, which today's FOMC meeting should provide. A fall towards 109.00 major level is expected if bears take over the market, but if bulls prevail, the US Dollar might even climb back over the 111.00 mark.

■ Traders' Sentiment

Traders' sentiment remains bullish, taking up 73% of the market, compared to 70% on Tuesday. Meanwhile, the share of sell orders returned to its Monday's level of 62% (previously 63%).








Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	46%	40%	44%	45%
Orders (±50 pips)	-14%	-52%	-12%	-17%
Orders (±100 pips)	-24%	-26%	-10%	-15%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Neutral	Neutral
ADX (14)	Neutral	Sell	Sell
CCI (14)	Buy	Neutral	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 **110.34**



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122
112.34			
110.53			
110.32			
108.70			
106.74			

	Level	Rationale
 R3	112.34/59	Monthly and weekly PPs; 20-day SMA
 R2	110.63/88	Monthly and weekly S1s
 R1	110.38	Bollinger band
 S1	110.32/12	Down-trend; weekly S2
 S2	108.70/66	Monthly S2; weekly S3
 S3	106.74	Monthly S3

Wednesday, April 06, 2016
07:30 GMT

Gold closes above 1,230 as bearish risks stay



"Investors are taking off riskier assets in the S&P 500 and other equities, and looking to come back into safety like gold."

- RJO Futures (based on Bloomberg)

Pair's Outlook

On Tuesday gold prices soared for the first time in three days, as bullish action pushed the spot beyond 1,230. The price closed slightly above it, namely the 20-day SMA, but another downside correction is highly possible today, given that daily technical indicators are short. A lot depends on the news from the Fed today. Dovishness may easily help to bullion to grow up to the next resistance at 1,241 (weekly R1/monthly PP). Contrary to that, a slide under the weekly pivot point should expose the 55-day SMA (1,209), which has got a steep upside slope and should contain a selloff.

Traders' Sentiment

On Tuesday the distribution between long and short SWFX market participants has been flat, as both sides remained committed to earlier-opened positions. Therefore, the former are currently holding the 46% share and the latter are enjoying a moderate majority of 54%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-8%	-6%	-6%	-15%

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

XAU/USD Daily Chart

Current price 1229.00



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1260			
1241			
1230			1250
1227			
1208	1206		
1198		1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

	Level	Rationale
R3	1,260/63	Weekly R2; February high; Bollinger band
R2	1,241	Weekly R1; monthly PP
R1	1,230	20-day SMA
S1	1,227/24	23.6% Fibo; weekly PP
S2	1,208/05	Weekly S1; 55-day SMA
S3	1,198/97	Monthly S1; Bollinger band

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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