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



# Technical Analysis

# EUR/USD to continue trading below 1.10



*“Euro should again weaken as it becomes clear the ECB will need to do more.”*  
- Westpac Banking Corp. (based on Bloomberg)

## Pair's Outlook

EUR/USD cooled down on Friday, by falling from Thursday's peak at 1.0980 to reach the 1.0882 mark by the end of last week's trading. In the short term the bears are expected to aim at the weekly pivot point, which guards the July low at 1.0808/1.0795. Consolidation below this area should pave the way toward the monthly pivot point at 1.0724. The medium term outlook remains broadly bearish, as the Fed meeting is looming and weekly technical indicators are pointing confidently downwards.

## Traders' Sentiment

The bullish portion of SWFX positions accounts for 43% today, down five percentage points over the weekend. Meanwhile, pending orders to acquire the Euro in 50 and 100-pip ranges from the spot are now accounting for only 32% and 36%, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-4%	4%	-3%
Orders (±50 pips)	-36%	-12%	0%	-14%
Orders (±100 pips)	-28%	-18%	-4%	-13%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	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)	Sell	Neutral	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

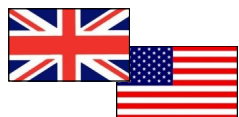
EUR/USD Daily Chart Current price: 1.0865



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09	1.09		
1.0808		1.07	1.07
1.0756			
1.06	1.06		
1.0608		1.05	
			1.03

Level	Rationale
Resistance 3: 1.0989/1.1008	55-day SMA; 50% Fib
Resistance 2: 1.0958	Bollinger band
Resistance 1: 1.0891/93	Monthly R1; 38.2% Fib
Support 1: 1.0808/1.0795	July low; weekly PP
Support 2: 1.0756/24	23.6% Fib; 20-day SMA; monthly PP
Support 3: 1.0608	Weekly S1

# GBP/USD anchored around 1.51



*"Although we continue to look for trend depreciation in GBPUSD, we think the USD may struggle to appreciate too much against major DM peers into year-end following last week's ECB."*

- Barclays (based on PoundSterlingLive)

## Pair's Outlook

The GBP/USD currency pair weakened on Friday, with intraday volatility reaching the 1.5080 level, but with trade closing at 1.5117. Today the Sterling is expected to extend its correction and continue edging lower, as technical indicators suggest in all timeframes. Immediate support is represented by the weekly PP, now located at 1.5058. Meanwhile, the ultimate low rests around 1.49, namely the lower border of the falling wedge, which should limit this week's losses and preserve the pattern. At the same time, the 20-day SMA is providing resistance around 1.5144, in case bulls take over.

## Traders' Sentiment

Bulls now take up 59% of the market (previously 56%). The portion of buy orders, however, dropped 14 percentage points to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	18%	12%	14%	8%
Orders (±50 pips)	-20%	64%	-22%	-10%
Orders (±100 pips)	16%	44%	-6%	-7%

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

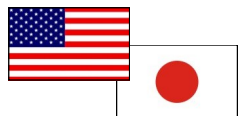
GBP/USD Daily Chart Current price: 1.5104



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5219			1.59
1.5183		1.58	
1.5144			
1.56			
1.54	1.54	1.54	1.54
1.51	1.51	1.51	1.51
1.5058			
1.4981			
1.4921			

Level	Rationale
Resistance 3: 1.5219/43	Weekly R1; 55-day SMA
Resistance 2: 1.5183/85	Monthly PP; 23.60% Fib
Resistance 1: 1.5144	20-day SMA
Support 1: 1.5058	Weekly PP
Support 2: 1.4981/56	Bollinger band; weekly S1
Support 3: 1.4921	Down-trend

## USD/JPY to erase last week's losses



*"Higher Treasury yields and gains by U.S. stocks would be an ideal combination to attract dollar support from intuitional investors. But if stock markets react negatively to a rate hike, the dollar could end up relying on higher long-term Treasury yields alone."*

- FPG Securities (based on Reuters)

### Pair's Outlook

The Greenback overperformed on Friday, as it breached the immediate resistance in face of the 20-day SMA and returned above the major level of 123.00. Today the USD/JPY is supported by the weekly PP and the 20-day SMA, which together should prevent the pair from falling back under 123.00. The nearest resistance is represented by the Bollinger band and the weekly R1 around 123.60, which should later cause the US Dollar to bounce back in order to prolong the consolidation trend between 122.20 and 123.75.

### Traders' Sentiment

Bears keep growing stronger, as nearly three quarters (74%) of all positions are short. The share of buy orders slid from 65 to 62%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-48%	-42%	-48%	-45%
Orders (±50 pips)	16%	38%	36%	22%
Orders (±100 pips)	24%	30%	36%	26%

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)	Buy	Buy	Buy

USD/JPY Daily Chart Current price: 123.28



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
125.11			128
124.39		127	
123.54		125	125
123.01	125		
122.36			123
121.73		122	
	121		

	Level	Rationale
■ Resistance 3	125.11	Weekly R3
■ Resistance 2	124.39/47	Weekly R2; monthly R1
■ Resistance 1	123.54/73	Bollinger band; weekly R1
■ Support 1	123.01/122.92	Weekly PP; 20-day SMA
■ Support 2	122.36/30	Weekly S1; monthly PP; Bollinger band
■ Support 3	121.73/34	55, 100 and 200-day SMAs; weekly S2

# Gold spikes towards mid-November highs at 1,085



*"If the dollar is unable to rally we may see further (short) squeezes towards \$1,095-\$1,100 in the short term leading into next week's FOMC meeting."*

- MKS Group (based on CNBC)

## Pair's Outlook

Disappointment from the ECB was fully priced into gold on Friday. The precious metal surged by around \$20 per troy ounce. XAU/USD pierced through the July low to close just below the monthly pivot point at 1,085. We expect some selling pressure to be in place here. Unless the mentioned monthly resistance is crossed to the upside, the short term outlook for the bullion will remain bearish. Otherwise, a rally above 1,086 should allow for the extension of gains in the direction of 100/55-day SMAs at 1,116/18. However, this scenario looks increasingly unlikely by the monthly technicals.

## Traders' Sentiment

The short traders have continued to gain ground throughout the weekend, as the share of bulls slipped further to reach 64% by Monday morning.

XAU/USD Daily Chart Current price: 1084.97



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1116			
1105	1105		
1086		1083	
1080			
1073			
1062			1062
1060			

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	34%	46%	41%

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

	Level	Rationale
Resistance 3	1,116/20	Weekly R2; 100 and 55-day SMAs; monthly R1
Resistance 2	1,100/01	Bollinger band; weekly R1
Resistance 1	1,086	Monthly PP
Support 1	1,080	20-day SMA
Support 2	1,073/70	Weekly PP; Jul low
Support 3	1,060/58	Bollinger band; weekly S1

## 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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