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



# Technical Analysis

# EUR/USD is still capped by 1.1538



*"We've come down a long way with virtually any tightening in 2016 priced out, but we're at a point when there's almost too much bad news in the dollar."*  
- National Australia Bank (based on Bloomberg)

## Pair's Outlook

Yesterday's trading conditions were light, even despite broad presence of important US statistics including the first insight into labour market's performance in April. The Dollar-bullish side won, as they kept the EUR/USD pair below 1.15. The weekly and monthly R1s at 1.1538, however, remain as key resistances for the moment. They are fuelled by the upper Bollinger band at 1.1552. While the daily technical studies are still mixed, there is a risk the pair is going to get stuck between the aforementioned resistance cluster and the weekly/monthly pivots and 20-day SMA at 1.1374 for some period of time.

## Traders' Sentiment

Bullish portion of the SWFX market grew to 41% by Thursday morning. Meanwhile, pending orders are equally distributed between the bulls and bears in a 50-pip range from the current market price.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-20%	-16%	-18%
Orders (±50 pips)	0%	-6%	-6%	0%
Orders (±100 pips)	-6%	-16%	4%	0%

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

EUR/USD Daily Chart Current price 1.1494



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.1713			
1.1619			
1.1533			
1.1376			
1.1288			
1.1224	1.12	1.12	1.12
	1.1		
		1.08	
	1.07		
		1.06	
			1.09
			1.05

Level	Rationale
R3	1.1713 August 2015 high
R2	1.1619/26 Weekly and monthly R2s
R1	1.1533/52 Bollinger band; Weekly and monthly R1s
S1	1.1376/74 Weekly and monthly PPs; 20-day SMA
S2	1.1288 Weekly and monthly S1s
S3	1.1224 55-day SMA

# GBP/USD on the edge of falling under 1.45



*“Given how important the services sector is to the UK economy we really need to see a decent number here or run the risk that we see a growth downgrade next week from the latest Bank of England inflation report.”*  
- CMC Markets (based on WBP Online)

## Pair's Outlook

Despite a weak reading of the US ADP Non-Farm Employment Change yesterday, the Cable still edged lower, but managed to close on top of the 1.45 major level. The Sterling is now likely to rebound, with the nearest resistance located at 1.4563, represented by the weekly PP. Even though technical indicators are bolstering the possibility of the positive outcome, risks of the GBP/USD currency pair inching lower persist if the UK's services sector data disappoints today. In case the bearish development prevails, the nearest area to prevent the Pound from falling lower will be the cluster around 1.4450.

## Traders' Sentiment

Bulls grew stronger today, as 58% of all open positions are now long (previously 54%). At the same time, the portion of orders to acquire the British currency barely changed, now taking up 48% of the market.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	16%	8%	-4%	3%
Orders (±50 pips)	-8%	12%	24%	-5%
Orders (±100 pips)	-4%	-6%	20%	-9%

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

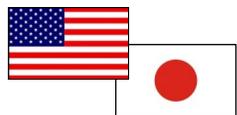
GBP/USD Daily Chart Current price 1.4524



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.4830			1.51
1.4722		1.49	
1.4563	1.46		1.47
1.4455		1.45	
1.4401			1.44
1.4295	1.43		
		1.42	
	1.4		

	Level	Rationale
R3	1.4830/60	Weekly R2; monthly R1; 200-day SMA
R2	1.4722/32	Weekly R1; Bollinger band
R1	1.4563	Weekly PP
S1	1.4455/30	Weekly S1; monthly PP
S2	1.4401/1.4386	20 and 100-day SMAs
S3	1.4295/73	Weekly S2; 55-day SMA

# USD/JPY struggles to retake 107.00



*"There's no incentive to long dollar/yen."  
- Jeremy Cook, head of currency strategy at World First (based on Business Recorder)*

## Pair's Outlook

Upbeat US Services PMI data caused the Greenback to outperform the Japanese Yen on Wednesday, but with the exchange rate unable to move over the 107.00 psychological level. Technically, supply at this major level could trigger a USD/JPY sell-off, with the nearest support located around 105.35, namely the Bollinger band and the 20-month low. On the other hand, the pair managed to maintain a somewhat bullish trend since the beginning of the week, but with the 108.00 mark being the upper border for a possible rally today. Technical studies, however, are in favour of the bearish scenario.

## Traders' Sentiment

For the second consecutive day 71% of traders hold long positions, whereas the portion of orders to purchase the US Dollar increased from 46 to 58% over the past 24 hours.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	42%	42%	48%	44%
Orders (±50 pips)	20%	24%	6%	12%
Orders (±100 pips)	16%	-8%	-4%	9%

Indicator	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	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	Buy
SAR (0.02; 0.2)	Sell	Sell	Sell
Aggregate	↘	↘	→

USD/JPY Daily Chart Current price 106.96



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
124			124
121		121	
120			119
116		116	
115			115
113		113	
112			
111.16			
110.04			
108.15			
105.48			
104.43			
102.55			

Level	Rationale
R3 111.16	55-day SMA
R2 110.04/50	Weekly and monthly R1s
R1 108.15/81	Weekly and monthly PPs; 20-day SMA
S1 105.48/20	Bollinger band; 20-month low
S2 104.43/104.20	Weekly and monthly S1s
S3 102.55/102.08	Weekly and monthly S2s

# Gold fails at weekly PP, forced to rebound



*"I think the (gold) market got a little carried away on the long side. At the moment we are just seeing some profit taking and consolidation around these levels."*  
- Sydney-based precious metals trader (based on CNBC)

## Pair's Outlook

Bearish traders attempted to prolong a correction as low as possible yesterday, but they met a tough support in face of the weekly pivot point at 1,272.92. Considering that this demand is reinforced by the monthly pivot \$20 from below, gold's bears decided not to take additional risks. The bullion's spot closed just under the 1,280 mark. Both daily and weekly aggregate technical indicators are pointing to a recovery, as there are no single signals to sell the metal. In the wake of these events, the bulls keep eyeing the 2015 peak at 1,307.06.

## Traders' Sentiment

There has been a massive ten percentage points decline in the number of long positions opened in the SWFX market. At the moment only 29% of market participants are betting the precious metal is going to increase in price, down from 39% yesterday and 43% on Tuesday.

XAU/USD Daily Chart

Current price 1282.65



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1315			
1307			
1299			
1272			
1265			
1258			
1248			1250
		1232	
			1200
1175			
		1160	
1125			
		1113	
			1100

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-42%	-22%	-16%	-25%

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

Level	Rationale
R3	1,315 Weekly R1
R2	1,307 2015 high
R1	1,299 Bollinger band
S1	1,272 Weekly PP
S2	1,265 Monthly PP
S3	1,258 20-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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