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



Technical Analysis

Thursday, April 14, 2016
07:30 GMT

EUR/USD falls to 1.1260 after bearish rally



"[The Fed] giving up could trigger sharp market moves in our view, close to the dollar's move after the Fed announced QE tapering."

- Bank of America Merrill Lynch (based on MarketWatch)

Pair's Outlook

US fundamentals used to have little influence on the Dollar, because this currency continued to advance at the fastest daily pace since January. EUR/USD sank 112 pips and put an end to the eight-day long sideways development. It breached the weekly S1 and the 20-day SMA, thereby switching attention to the 1.12 mark that is backed by the monthly pivot and the last weekly demand line. An immediate failure below here is unlikely, given the approaching 55-day SMA at 1.1161. Long-term dips will have to be capped by the 200/100-day SMAs at 1.1053/30.

Traders' Sentiment

Just 42% of all SWFX positions are bullish in the morning on Thursday, no change over the preceding working day. Meantime, commands are set predominantly short on the Euro, namely 61% of them.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-16%	-16%	-22%	-19%
Orders (±50 pips)	-22%	-30%	18%	-11%
Orders (±100 pips)	-22%	-20%	-2%	-15%

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

EUR/USD Daily Chart

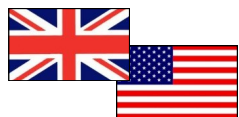
Current price 1.1263



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1391			
1.1329			
1.1264			
1.1204			
1.1161			
1.1053			
			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1391	Weekly PP
R2	1.1329	Weekly S1
R1	1.1264/95	Weekly S2; 20-day SMA
S1	1.1204/02	Monthly PP; weekly S3
S2	1.1161/23	55-day SMA; Bollinger band
S3	1.1053/30	200/100-day SMAs

GBP/USD prolongs bearish trend



“For many, the idea of a Brexit seems unlikely and any devaluation in sterling should therefore be seen as a temporary opportunity.”
- IG (based on WBP Online)

■ Pair's Outlook

With the return of 'Brexit' fears the Pound declined against the US Dollar yesterday, also bouncing back from the four-week down-trend. The Cable retains its weakness today, therefore, is likely to drop at least towards the nearest support, namely the weekly PP at 1.4151. However, bears might even push the GBP/USD currency pair even lower, with the 1.41 level getting pierced again. The second target will then be around the 1.40 mark, but the bearish momentum is unlikely to edge below the 1.4050 level, as it prevented the given pair from slumping since the beginning of March. Furthermore, technical studies are bolstering the possibility of the bearish outcome.

■ Traders' Sentiment

Bullish market sentiment returned to its Tuesday's level of 64%, up from 61% yesterday. The number of buy orders slid from 60 to 45%.








Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	28%	22%	26%	29%
Orders (±50 pips)	0%	26%	22%	10%
Orders (±100 pips)	-10%	20%	38%	12%

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

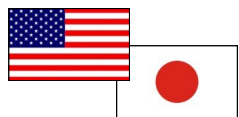
GBP/USD Daily Chart

Current price **1.4132**

SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
<div>1.4573</div> <div>1.4454</div> <div>1.4233</div> <div>1.4151</div> <div>1.4013</div> <div>1.3834</div>		1.56	1.56
	1.55		
			1.52
	1.51	1.51	
	1.49		
		1.48	
			1.47

	Level	Rationale
 R3	1.4573	Down-trend
 R2	1.4454/79	Bollinger band; weekly R2; 100-day SMA
 R1	1.4233/96	20 and 55-day SMAs; monthly PP; down-trend; weekly R1
 S1	1.4151	Weekly PP
 S2	1.4013/1.3979	Bollinger band; monthly and weekly S1s
 S3	1.3834	Weekly S2

USD/JPY in limbo ahead of inflation data



"The dollar/yen might not go much higher for now because people are a bit knackered after covering short positions."

- Global-info Co. (based on CNBC)

■ Pair's Outlook

The risk appetite returned to the markets on Wednesday, causing the USD/JPY currency pair to edge higher, despite rather weak US Retail Sales figures. Momentum, received after reconfirming the 18-month low, appears to be sufficient for the Buck to sustain a short-term bullish trend. Consequently, the US Dollar is expected to continue rising versus the Japanese Yen, with the closest area to limit the gains located around 110.80, represented by the monthly S1, the weekly R1 and the 20-day SMA. However, according to technical indicators, the given pair is to suffer a loss today, falling back under the 109.00 major level, eventually putting the 18-month low to the test again.

■ Traders' Sentiment

Nearly three quarters (74%) of all open positions are long. Meanwhile, the gap between buy and sell orders narrowed from 4 to 2% points.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	48%	46%	46%	45%
Orders (±50 pips)	-14%	-24%	10%	-9%
Orders (±100 pips)	-2%	-4%	24%	-11%








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)	Sell	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 **109.42**



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122
114.52			
112.59			
110.63			
109.16			
107.63			
106.74			

	Level	Rationale
 R3	114.52/79	Monthly R1; Bollinger band; weekly R3
 R2	112.59/113.29	Monthly PP; down-trend; 55-day SMA; weekly R2
 R1	110.63/98	Monthly S1; weekly R1; 20-day SMA
 S1	109.16/108.70	Weekly PP; monthly S2
 S2	107.63/36	18-month low; Bollinger band
 S3	106.74/53	Monthly S3; weekly S1

Thursday, April 14, 2016
07:30 GMT

Gold is losing ground for three days



“Definitely the boost in the dollar and strength in equities will put pressure on the gold market.”
- RJO Futures (based on Bloomberg)

■ Pair's Outlook

After a relatively calm Tuesday, the bullion commenced a major bounce from three-week highs yesterday and closed the US session around the monthly pivot point (1,241.50). However, a selloff has continued this morning on the back of growing risk appetite worldwide. Now the weekly pivot is under bearish pressure, but the bulls hope the 55-day SMA (1,223.48) along with the weekly S1 (1,221.33) will be capable of limiting those negative changes. Otherwise, we would not rule out a slump towards the March low at 1,208.06.

■ Traders' Sentiment

A continuous plunge in gold prices is provoking a closure of short positions in the SWFX market. Over Wednesday the percentage of bearish trades dipped from 66% to 63%. However, the majority is solid and only a small share of market participants, at least for now, suspects the stance should be changed from bearish to bullish.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-26%	-32%	-4%	-16%

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)	Buy	Buy	Sell
Alligator (13; 8; 5)	Neutral	Buy	Sell
SAR (0.02; 0.2)	Sell	Buy	Buy
Aggregate	→	↑	→

XAU/USD Daily Chart

Current price 1233.16



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1249			1250
1241			
1236			
1232			
1223			
1209			
1206		1200	
1125			1125
1100			
1071			
1048			
1037			

	Level	Rationale
■ R3	1,249	Weekly R1
■ R2	1,241	Monthly PP
■ R1	1,236	20-day SMA
■ S1	1,232	Weekly PP
■ S2	1,223/21	55-day SMA; weekly S1
■ S3	1,209/08	Bollinger band; March 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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