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



# Technical Analysis

## EUR/USD in limbo around 1.1330



*"The ECB will certainly keep talking about the prospect as well as readiness and willingness to ease further if necessary. That's been quite an effective tactic of keeping euro capped."*  
- Bank of New Zealand Ltd. (based on Bloomberg)

### Pair's Outlook

Even though daily technical indicators are pointing strongly to the north for now, the price of the Euro against the US currency is unlikely to move noticeably higher in the short term. There is a considerable resistance area located just below the 1.14 mark, created by the weekly pivot point and monthly R1. On the other hand, EUR/USD should be supported by demand at 1.13 (20-day SMA; weekly S1). Our outlook will stay largely neutral, as long as the pair keeps hovering inside this 100-pip technical levels-free zone.

### Traders' Sentiment

The share of bullish open positions increased from 43% to 45% yesterday. Meanwhile, percentage of pending orders to buy the Euro against the US Dollar in 100-pip range from the spot dipped from 53% to 48%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-14%	-6%	-9%
Orders (±50 pips)	4%	4%	20%	15%
Orders (±100 pips)	-4%	6%	8%	11%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Neutral	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)	Buy	Buy	Sell

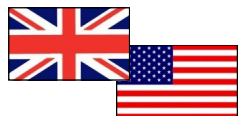
EUR/USD Daily Chart Current price: 1.1334



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1552			
1.1449			
1.1392			
1.1305	1.13		
1.1241			1.12
1.1175			
		1.11	
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
Resistance 3	1.1552	Weekly R2
Resistance 2	1.1449/70	Weekly R1; Bollinger band
Resistance 1	1.1392/95	Weekly PP; monthly R1
Support 1	1.1305/1.1289	20-day SMA; weekly S1
Support 2	1.1241/31	Weekly S2; monthly PP; 55-day SMA
Support 3	1.1175	100-day SMA

# GBP/USD attempts to break out of its current trading range



*"I do see the time to start raising rates in the near future, from my perspective."*

- John Williams, San Francisco Fed President (based on Reuters)

## Pair's Outlook

A correction took place on Monday, pushing the GBP/USD slightly higher. The Cable tested the resistance cluster around 1.55, but failed to pierce it due to lack of momentum. A break of this given cluster is expected to ensure a bullish trend; however, a positive surprise in the US fundamentals is likely to cause a selloff. As a result, the Pound risks falling under the 1.54 major level, with the weekly PP at 1.5380 holding the losses. On the other hand, the given pair has the potential to reach the cluster around 1.5565, but the upper Bollinger band might prevent that from happening.

## Traders' Sentiment

For the second day the share of bulls remains unchanged at 53%, whereas the number of buy orders inched higher from 36 to 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	6%	22%	17%
Orders (±50 pips)	8%	-36%	-6%	-4%
Orders (±100 pips)	6%	-28%	14%	-3%

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

GBP/USD Daily Chart Current price: 1.5478

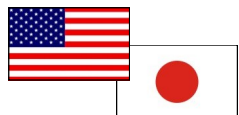


SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5688		1.58	1.59
1.5560	1.56		
1.5488			
1.5413	1.54	1.54	1.54
1.5327			
1.5185	1.51	1.51	1.51

	Level	Rationale
Resistance 3	1.5688	Weekly R2
Resistance 2	1.5560/68	Weekly R1; 38.20% Fibo
Resistance 1	1.5488/1.5525	100-day SMA; monthly R1; Bollinger band
Support 1	1.5413/1.5380	55-day SMA; weekly PP
Support 2	1.5327/1.5252	20 and 200-day SMAs; monthly PP; weekly S1
Support 3	1.5185	23.60% Fibo

# USD/JPY muted around 119.50, awaits a trigger

*"We have seen a 50% reduction of USD long holdings this year from speculative funds, largely as a result of tightening financial conditions turning the Federal Reserve more dovish and the market moving to push out its pricing for the first rate hike until May 2016."*  
 - IG Securities (based on WBP Online)



## Pair's Outlook

Despite having tested the immediate support, the USD/JPY still managed to edge higher yesterday, somewhat strengthened by the improvement in the NAHB Housing Market Index. Nevertheless, technical studies retain their bearish signals in the daily timeframe, insisting the Buck is to sustain losses. The immediate resistance and support clusters remain unchanged, meaning that a significant fundamental event is to drive the exchange rate today. The base case scenario is a decline not lower than the 118.50 area, a ten-month support, now also bolstered by the monthly and weekly S1s.

## Traders' Sentiment

There are more bullish traders today (71%), compared to 70% yesterday, while the ratio of buy and sell orders is now equal to one.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	42%	40%	48%	44%
Orders (±50 pips)	-18%	-2%	8%	4%
Orders (±100 pips)	0%	-2%	30%	15%

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

USD/JPY Daily Chart Current price: 119.50



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			128
		127	
		125	125
	125		
	123		123
		122	
	121		
	120.41		
	119.84		
	119.23		
	118.53		
	117.19		

	Level	Rationale
Resistance 3	121.27/43	Monthly R1; weekly R2
Resistance 2	120.41/97	Weekly R1; 55 and 200-day SMAs; Bollinger band
Resistance 1	119.84/93	20-day SMA; monthly PP
Support 1	119.23/118.96	Weekly PP; Bollinger band
Support 2	118.53/22	Monthly and weekly S1s
Support 3	117.19/04	Monthly and weekly S2s

## Gold to test reliability of Aug high



*"There has been more uncertainty in recent days about the timing of a rate hike, and that is not helping gold."*  
- a trader in Sydney (based on CNBC)

### ■ Pair's Outlook

The precious metal continues losing value for a fourth consecutive day on Tuesday. Yesterday the metal dipped below the 200-day SMA, but held above the Aug high at 1,170. Today a violation of the latter level is highly likely, noting prevailing bearish sentiment in the market. A fall below the 1,170 will be expected to cause additional losses in the foreseeable future. The next target area for short traders is placed at 1,155/53, where weekly S1 merges with the 20-day SMA. Meanwhile, extra demand is offered by the monthly R1 at 1,147.

### ■ Traders' Sentiment

The total number of long and short open positions in the SWFX market remained unchanged from Friday of the previous week. The former and the latter are still holding 51% and 49% of all trades, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	2%	4%	3%

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

XAU/USD Daily Chart Current price: 1169.13



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1194		1244	
1181			
1170			
1155	1150	1148	1150
1147			
1140			
1105			
1083			
1062			

	Level	Rationale
Resistance 3	1,194/96	Bollinger band; weekly R1
Resistance 2	1,181	Monthly R2
Resistance 1	1,170/75	Aug high; weekly PP; 200-day SMA
Support 1	1,155/54	Weekly S1; 20-day SMA
Support 2	1,147	Monthly R1
Support 3	1,140	100-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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