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07/10/2015

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



Technical Analysis

EUR/USD closed Tuesday trading above 1.1260



"To break out of that trading range [1.05-1.15] in either direction we need a significant change in the story, either around the European Central Bank or the Fed."

- Russel Investments (based on Bloomberg)

Pair's Outlook

A long-awaited close above the 50% Fibonacci retracement of the Jul-Aug uptrend became reality yesterday. While being underpinned by the 55-day SMA, currently at 1.1169, EUR/USD pierced through several crucial resistances to reach the 1.1270 mark by the end of Tuesday's trading session. However, a recovery remains sluggish, meaning that we should observe Wednesday's consolidation above 1.1260, in order to completely refocus our attention to the upside. In case of success the long traders will target both upper Bollinger band and 38.2% retracement at 1.1364/68.

Traders' Sentiment

The share of bulls fell from 50% to 49% in the past 24 hours, while long pending orders in 100-pip range from the spot price improved from 50% to 52%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-2%	0%	6%	3%
Orders (±50 pips)	-4%	2%	10%	-8%
Orders (±100 pips)	4%	0%	0%	-12%

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

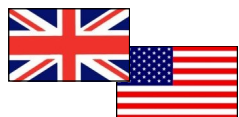
EUR/USD Daily Chart Current price: 1.1264



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.1395			
1.1364			
1.1305			
1.1261			
1.1169			
1.1142			
	1.1	1.1	
	1.08		1.09
		1.07	
	1.05		1.05
		1.04	
			1.03

	Level	Rationale
■ Resistance 3	1.1395/1.1403	Monthly R1; weekly R2
■ Resistance 2	1.1364/68	Bollinger band; 38.2% Fib
■ Resistance 1	1.1305	Weekly R1
■ Support 1	1.1261/20	Weekly and monthly PP; 50% Fib; 20-day SMA
■ Support 2	1.1169/54	200 and 55-day SMAs; 61.8% Fib
■ Support 3	1.1142/22	100-day SMA; weekly S1

GBP/USD takes another crack at weekly R1



"People are still very skeptical about the Fed raising rates this year."

- Macquarie Ltd (based on Reuters)

Pair's Outlook

The US currency failed to outperform the Sterling, amid poor trade data and rising concerns over a 2015 Fed rate hike. As a result, the Cable tested the weekly R1 for the second time, breaching the immediate resistance and settling above the major level of 1.52. The bullish momentum is expected to dominate today as well, but with the upside volatility limited by a strong cluster around 1.53 psychological level. However, weak UK fundamentals could push the GBP/USD back under 1.52, as technical studies retain bearish signs.

Traders' Sentiment

Bullish SWFX traders' sentiment returned to its Monday's level of 64%. Meanwhile, buy orders take up the majority (59%) of the market again, compared to 48% yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	20%	26%	23%
Orders (±50 pips)	18%	-4%	-8%	6%
Orders (±100 pips)	18%	-4%	16%	10%

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	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

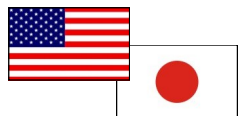
GBP/USD Daily Chart Current price: 1.5241



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.5875			
1.5764			1.58
1.5653		1.57	
1.5542	1.56		
1.5431			1.55
1.5320	1.54	1.54	
1.5209	1.52		
1.5098		1.51	1.51
1.4987			

Level	Rationale
Resistance 3: 1.5379	Weekly R3
Resistance 2: 1.5297/1.5319	Monthly PP; weekly R2; 20 and 200-day SMAs
Resistance 1: 1.5245	Weekly R1
Support 1: 1.5185/76	23.60% Fib; weekly PP
Support 2: 1.5111	Weekly S1
Support 3: 1.5042/11	Weekly S2; Bollinger band

USD/JPY stuck between 120.00 and 120.80



“Even if Mr Kuroda refrains from hinting at more easing, it helps to recall that he has been willing to spring a surprise in the past. We stick to our view that the Bank [of Japan] will announce more easing at its end-October meeting.”
- Capital Economics (based on WBP Online)

Pair's Outlook

The US Dollar began weakening against the Yen, after having reached the 120.63 potential resistance yesterday. Losses, in turn, were limited by the 20-day SMA, which prevented the USD/JPY from dropping to the 120.00 major level. Nevertheless, the Greenback risks breaching this area today and even pierce the support cluster around 119.80, while the any attempts to rebound are likely to be held by the same 120.63 mark, which is keeping the US currency from edging higher for almost six weeks now.

Traders' Sentiment

Bulls account for almost three quarters (73%) of the market (previously 70%). The number of orders to purchase the Buck also increased, from 58 to 64%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	46%	40%	36%	34%
Orders (±50 pips)	24%	4%	-28%	7%
Orders (±100 pips)	28%	16%	-12%	12%

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	Neutral	Buy
SAR (0.02; 0.2)	Sell	Sell	Buy

USD/JPY Daily Chart Current price: 120.11



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
129			129
128			127
126			
125	125	125	125
124			
123			
121.62			
121.27			
120.74			
120.19			
119.93			
118.83			

Level	Rationale
Resistance 3: 121.62/68	Weekly R2; 55-day SMA
Resistance 2: 121.27	Monthly R1
Resistance 1: 120.74/87	Weekly R1; Bollinger band; 200-day SMA
Support 1: 120.19	20-day SMA
Support 2: 119.93/64	Monthly and weekly PPs; Bollinger band
Support 3: 118.83	Weekly S1

Gold reaches bearish pattern's upper boundary again



"We have to suspect that as U.S. macro data starts to deteriorate, the dollar will likely continue to weaken from here, providing further upside to impetus for gold."

- INTL FCStone (based on CNBC)

Pair's Outlook

As expected the precious metal surged above the 100-day SMA and 61.8% Fibonacci retracement of the Aug-Sep downtrend on Tuesday. It was actively supported by the 50% retracement and was therefore able to register substantial positive change in value. While bulls are set to aim at the monthly R1 (1,147) next, the cross has again touched the upper boundary of the channel down pattern. Thus, bearish pressure is likely to increase in the short term, while daily technical indicators changed from bullish to neutral in the past 24 hours. However, a close above 1,156 (Sep 24 high) would reopen the 1,170 mark for bulls.

Traders' Sentiment

After gains at the end of the previous trading week, the number of SWFX long open positions has recently resumed declining. However, during the past 24 hours their share has been fairly stable at 52%.

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

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

XAU/USD Daily Chart Current price: 1148.50



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1255		1250	
1221			1197
1173		1173	
1155	1158		
1147			
1143			
1134			1111
1109			
1091			

	Level	Rationale
Resistance 3	1173	Weekly R2
Resistance 2	1170	Aug 24 high
Resistance 1	1155/60	Bollinger band; weekly R1; Sep high
Support 1	1147	Monthly R1
Support 2	1143/42	61.8% Fib; 100-day SMA
Support 3	1134/30	50% Fib; 2014 low; weekly PP; 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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