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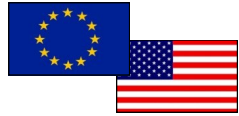
27/01/2016

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



# Technical Analysis

## EUR/USD in wait-and-see mode before Fed



*“The fall in oil prices, the fall in equity prices, the rise in the euro, the developments in the broader commodities complex -- all of these are driving inflation significantly lower. It is to that that Mario Draghi is responding.”*  
- Goldman Sachs (based on Bloomberg)

### Pair's Outlook

The pair fluctuated within the range between two moving averages on Tuesday, namely 20 and 55-day SMAs at 1.0869 and 1.0829, respectively. Tranquil trading is explained by expectations of the Fed meeting, and this fact is confirmed by falling trading volume. Dovish statement later on Wednesday will make the Euro quite buoyant today, with the short-term target being unchanged near 1.0960/80 (Bollinger band; 100-day SMA). Meantime, support will continue to be offered by a dense demand area above 1.08. Any break out below here should trigger a selloff down to 1.0715 (January lows).

### Traders' Sentiment

SWFX bears remain in the majority of 54% for open positions. Alongside, 59% of all pending orders in 100-pip range from the spot suggest the EUR/USD pair will decline in the foreseeable future.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-8%	-10%	-12%	-10%
Orders (±50 pips)	-6%	-8%	-12%	-7%
Orders (±100 pips)	-18%	-22%	-8%	-11%

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

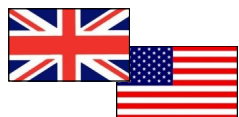
EUR/USD Daily Chart Current price: 1.0856



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1047			
1.0957			
1.0921			1.1
1.0869			
1.0830	1.08	1.08	
1.0779			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.1047/53	Weekly R2; 200-day SMA
Resistance 2	1.0957/79	Downtrend; Bollinger band; 100-day SMA
Resistance 1	1.0921	Weekly R1
Support 1	1.0869/49	20-day SMA; weekly PP
Support 2	1.0830/12	55-day SMA; monthly PP
Support 3	1.0779	Bollinger band

# GBP/USD muted ahead of Fed



*"If the Fed sounds too dovish a chord, they'll lose the option to raise rates in March. If the Fed isn't so dovish, it's likely US yields will rise, and the dollar will strengthen."*  
- Sumitomo Mitsui Banking (based on Business Recorder)

## Pair's Outlook

The British currency was able to recover from daily losses and end the day with a rally, with a six-week down-trend getting breached. Nevertheless, the immediate resistance was not reached, demand around which, around 1.4415, remains strong. Meanwhile, the closest support is still represented by the weekly PP, but the exchange rate is expected to drop lower if the Fed's statement turns out to be hawkish today. Technical indicators also suggest a decline is due, but the Cable has the potential to touch the 1.45 level.

## Traders' Sentiment

Bull lost some numbers today, as 61% of all open positions are long, compared to 65% of Tuesday. At the same time, the portion of purchase orders lost eight percentage points, falling to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	22%	30%	28%	27%
Orders (±50 pips)	30%	14%	-38%	-7%
Orders (±100 pips)	16%	32%	-36%	-12%

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

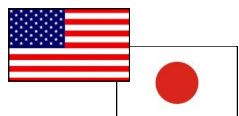
GBP/USD Daily Chart Current price: 1.4347



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.51	1.51	1.52	
1.49			
1.48			
1.478			
1.4520			
1.4390			
1.4238			
1.4112			
1.4053			

	Level	Rationale
■ Resistance 3	1.4678	Weekly R3
■ Resistance 2	1.4520/67	Weekly R2; monthly S1
■ Resistance 1	1.4390/1.4442	Monthly S2; weekly R1; 20-day SMA
■ Support 1	1.4238	Weekly PP
■ Support 2	1.4112	Weekly S1
■ Support 3	1.4053/42	Monthly S3; Bollinger band

# USD/JPY makes efforts to extend gains



*"As investors remain focused more on the BOJ meeting this time, we would see the dollar-yen pair to show only a limited reaction (to the Fed statement)."*

- Barclays (based on Market Watch)

## Pair's Outlook

The USD/JPY managed to erase daily losses on Tuesday, as a strong reading of the US CB Consumer Confidence boosted the American currency. Even though the pair closed with a 12-pip surge, a relatively tough group of levels is supporting the Buck from below. The 20-day SMA, the weekly PP and the monthly S1 form a cluster around 117.90, whereas the monthly S1 at 118.93 remains the nearest resistance. Technical indicators also changed direction from south-ish to mixed, suggesting a decline is unlikely. Nonetheless, the FOMC statement's tone could cause a breakout of either barrier.

## Traders' Sentiment

There are now 72% of traders being short the Greenback (previously 71%). The share of orders to buy the USD slid from 61 to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-44%	-42%	-40%	-37%
Orders (±50 pips)	18%	28%	-62%	3%
Orders (±100 pips)	16%	22%	-36%	-1%

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

USD/JPY Daily Chart Current price: 118.40



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122
120.61			
119.77			
118.93			
118.20			
116.86			
116.26			

Level	Rationale
Resistance 3: 120.61/77	55 and 100-day SMAs; weekly r2
Resistance 2: 119.77/120.14	Weekly R1; Bollinger band
Resistance 1: 118.93	Monthly S1
Support 1: 118.20/117.63	20-day SMA; weekly PP; monthly S2
Support 2: 116.86	Weekly S1
Support 3: 116.26/115.85	Bollinger band; 2015 low



# Gold surges further as 200-day SMA is looming



*"The world's economic condition doesn't seem to give the Fed reason to hike rates soon given the growth risks."*

- OCBC Bank (based on CNBC)

## Pair's Outlook

Gold will likely manage to consolidate above 1,107 on Wednesday, in case it preserves gains of the previous trading session. On Tuesday the precious metal climbed to 1,120 and the next major resistance zone is fairly reachable over the next 24 hours. The Fed should provide a dovish statement to weaken the Dollar and raise demand for the safe haven. We are watching the 200-day SMA at 1,130 and this level is reinforced by a third monthly resistance at 1,127. Success here will imply a major shift of market sentiment, while new focus will be on the 2015 downtrend line at 1,150.

## Traders' Sentiment

54% of all SWFX market participants are holding long positions on gold in the morning on Wednesday, down from 55% seen 24 hours ago. Market sentiment has changed for the first time since last Thursday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	10%	12%	10%

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

XAU/USD Daily Chart Current price: 1120.20



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1150			1250
1137			
1123			
1110			
1104			
1098			
1100			
1206			
1200			
1125			
1125			
1071			
1048			
1037			

	Level	Rationale
■ Resistance 3	1,150	Downtrend
■ Resistance 2	1,137	Weekly R3
■ Resistance 1	1,123/30	Bollinger band; weekly R2; monthly R3; 200-day SMA
■ Support 1	1,110/07	Weekly R1; monthly R2; downtrend
■ Support 2	1,104	100-day SMA
■ Support 3	1,098/94	Sep 2015 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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