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



Technical Analysis

EUR/USD keeps trading in horizontal trend



"If you think you're going to get euro-dollar significantly lower, you need to get an ECB rate cut, a Fed rate hike and some new additional impetus."

- Kit Juckes, Societe Generale (based on Bloomberg)

Pair's Outlook

EUR/USD has been broadly unchanged in value this week so far, owing to lack of any fundamental drivers. At the moment of writing the pair was hovering moderately below the monthly S1 at 1.0768, which acts as the closest resistance for bulls. Bears are still watching the Apr low at 1.0519, but this area is likely to be touched in the medium term. Short term perspectives are therefore remaining neutral, with rallies capped by Jul low at 1.0808 and losses contained by the 1.07 mark.

Traders' Sentiment

SWFX bullish share advanced back to 52% by Wednesday morning. Alongside, the percentage of long pending orders in 100-pip range from the spot price increased to 43%, up from 34% yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	0%	2%	3%
Orders (±50 pips)	2%	-28%	2%	-9%
Orders (±100 pips)	-14%	-32%	-4%	-12%

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

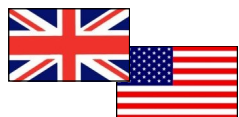
EUR/USD Daily Chart Current price: 1.0754



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09			
1.07			1.07
1.06			
1.05			
1.03			

	Level	Rationale
Resistance 3	1.0958/69	Weekly R1; 20-day SMA
Resistance 2	1.0808/31	July and May lows; weekly PP
Resistance 1	1.0768	Monthly S1
Support 1	1.0611	Weekly S1
Support 2	1.0540/19	Bollinger band; monthly S1; Apr low
Support 3	1.0485	Weekly S2

GBP/USD tries to benefit from US bank holiday



"Markets have already concluded that the Fed will raise rates in December and I don't think the big picture has changed. I expect the dollar to strengthen further a bit towards the Fed's policy meeting (on Dec. 15-16)."

- Trader at a Japanese bank (based on Reuters)

Pair's Outlook

The British Pound remained flat against the US Dollar on Tuesday, with the Cable rising only three pips higher. Nonetheless, the GBP/USD has already reached the expected target early today, namely the cluster around 1.5185. Strong UK fundamentals should boost the Sterling enough to pierce the cluster and stretch out to around 1.5250. On the other hand, in case the market movers are not in favour of the GBP, a fall beyond the immediate support is possible, with the 1.50 psychological level acting as the ground floor.

Traders' Sentiment

Bears are dominating the market with 60% of traders being short the Sterling. The portion of sell commands gained four more percentage points. The orders now account for 64% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-20%	-10%	0%	-1%
Orders (±50 pips)	-22%	-12%	30%	1%
Orders (±100 pips)	-28%	-20%	30%	5%

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

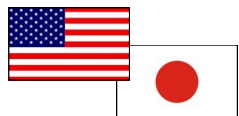
GBP/USD Daily Chart Current price: 1.5168



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.59			
1.58			
1.56			
1.543	1.54	1.54	1.54
1.5318			
1.5185			
1.51	1.51	1.51	1.51
1.5067			
1.4945			
1.4879			

	Level	Rationale
Resistance 3	1.5403/42	Down-trend; 100-day SMA
Resistance 2	1.5318/49	20, 55 and 200-day SMAs; monthly PP; weekly R1
Resistance 1	1.5185/88	23.60% Fibo; monthly S1; weekly PP
Support 1	1.5067	Bollinger band
Support 2	1.4945	Monthly S2
Support 3	1.4879	Weekly S1

USD/JPY to weaken for the third day



"I believe the (Federal Open Market Committee) is on pace to hike come hell or high water, almost literally. They will be lifting off unless there is a real meltdown."

- Kim Rupert, Action Economics (based on Business Recorder)

■ Pair's Outlook

The USD/JPY failed to reach the 122.80 mark, while the immediate resistance cluster prevented the pair from advancing. The Greenback risks falling today as well, due to the lack of potential events to help the exchange rate climb over the resistance around 123.50. Immediate support is still represented by the weekly PP, monthly R1 and the 100-day SMA around 122.00, but the highest level of the cluster, namely the weekly PP, is the only one to be tested. In case the 100-day SMA is breached, the second strong demand area is located at 121.15—the 20 and 200-day SMAs.

■ Traders' Sentiment

Bears keep pushing forward, as 74% of all positions are now short. At the same time, the share of buy orders increased from 42 to 72%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-48%	-46%	-42%	-37%
Orders (±50 pips)	26%	-24%	-4%	11%
Orders (±100 pips)	44%	-16%	12%	17%

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

USD/JPY Daily Chart Current price: 122.92



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
125.21			128
124.14		127	
123.49		125	125
122.20	125		
121.20	123		123
120.48	122		
	121		

	Level	Rationale
Resistance 3	125.21/48	Weekly R2; monthly R3
Resistance 2	124.14	Weekly R1
Resistance 1	123.49/56	Bollinger band; monthly R2
Support 1	122.20/121.75	Weekly PP; monthly R1; 100-day SMA
Support 2	121.20/121.07	20 and 200-day SMAs; weekly S1
Support 3	120.48	55-day SMA

Gold in wait-and-see mode after Monday gains



"The ETF market is suggesting more pain (for gold) in coming days."

- ANZ (based on CNBC)

■ Pair's Outlook

We do not project substantial volatility for gold prices in the nearest future, after the metal stabilized and booked first gains in nine days on Monday. Yesterday the price erased those positive changes to return back to 1,089 by the end of trading. Veterans Day and closed markets in the US will most probably keep the yellow metal in the sideways trend today, while more pronounced movements are awaited by Friday when more fundamentals will be published. In the medium term, however, we see gold losing value in the direction of Jul low at 1,070.

■ Traders' Sentiment

The total number of bullish market participants in the SWFX market rose back to 57% by Wednesday morning, after experiencing a slight decrease on Tuesday to 56%. Thus, long sentiment is the highest in the past seven weeks for the moment.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	14%	12%	0%	7%

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

XAU/USD Daily Chart Current price: 1092.06



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
		1244	
	1233		1225
	1150	1148	1150
	1125		
	1105	1105	
	1100		
		1083	
	1070		1062
	1059		
	1048		

	Level	Rationale
■ Resistance 3	1,125/26	38.2% Fibo; weekly R1; 20-day SMA
■ Resistance 2	1,105/10	Weekly PP; 23.6% Fibo
■ Resistance 1	1,100	Monthly S1
■ Support 1	1,070/68	Jul low; weekly S1
■ Support 2	1,059	Monthly S2; Bollinger band
■ Support 3	1,048	Weekly S2

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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