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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD was successful at testing 55-day SMA



*"The euro's gains are the continuation of the positioning unwind after the ECB's underwhelming December meeting."
- Standard Chartered (based on Bloomberg)*

Pair's Outlook

EUR/USD booked another bullish trading session on Wednesday, as the currency pair spiked above 1.10 to touch the most important 200-day SMA at 1.1031. Another moving average, the 55-day SMA, used to be an easy target for the bulls yesterday, and it was penetrated relatively quickly. Now we are watching the 200-day SMA, which is immediately followed by 100-day SMA at 1.1061. In case both of them are violated, it will proclaim a significant advantage of the bulls in the market. Otherwise, EUR/USD is at risk of coming back under the 1.10 mark soon.

Traders' Sentiment

Bearish market share decreased from 57% to 56% during the previous trading session. In addition to that, pending orders became strongly Euro-positive for the first time in several weeks.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-14%	-4%	-7%
Orders (±50 pips)	20%	-16%	8%	-9%
Orders (±100 pips)	10%	-4%	0%	-9%

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

EUR/USD Daily Chart Current price: 1.1004



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1123			
1.1061			
1.1008			
1.0978		1.11	1.12
1.0893	1.09		
1.0812		1.07	1.07
	1.06		
		1.05	
			1.03

Level	Rationale
Resistance 3: 1.1123	61.8% Fib
Resistance 2: 1.1061/94	100-day SMA; weekly R1; Bollinger band
Resistance 1: 1.1008/31	200-day SMA; 50% Fib
Support 1: 1.0978	55-day SMA
Support 2: 1.0893/91	Monthly R1; 38.2% Fib
Support 3: 1.0812/1.0795	July low; weekly PP; 20-day SMA

GBP/USD muted ahead of BoE meeting



"We often hear that the bulk of US dollar strength is behind us. We find the subliminal message (no longer worth being long) misleading."

- Societe Generale (based on PoundSterlingLive)

Pair's Outlook

The US currency experienced an unexpectedly sharp sell-off on Wednesday, leading the Cable to a fresh two-week high. The two immediate resistances were broken, but the third one, namely the monthly PP and 23.60% Fibo, was able to cap the gains. The Sterling still has room to advance to the 1.53 major level, a break of which would imply the end of the falling wedge pattern, but the 23.60% Fibo is expected to cause a correction today. As a result, the Pound is likely to pierce through the closest support in face of the 20-day SMA and touch the psychological area of 1.51.

Traders' Sentiment

Bears are now in the majority (52%), while pending orders in the 100-pip range are equally divided between the buy and the sell ones.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-4%	16%	12%	12%
Orders (±50 pips)	8%	-38%	-16%	-2%
Orders (±100 pips)	0%	-16%	-32%	2%

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

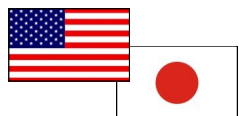
GBP/USD Daily Chart Current price: 1.5177



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5279			1.59
1.5219		1.58	
1.5183	1.56		
1.5132	1.54	1.54	1.54
1.5058			
1.4963	1.51	1.51	1.51

	Level	Rationale
Resistance 3	1.5279/1.5323	Down-trend; Bollinger band; weekly R2; 200-day SMA
Resistance 2	1.5219/33	Weekly R1; 55-day SMA
Resistance 1	1.5183/85	Monthly PP; 23.60% Fibo
Support 1	1.5132	20-day SMA
Support 2	1.5058	Weekly PP
Support 3	1.4963/56	Bollinger band; weekly S1

USD/JPY attempts to recover from harsh sell-off



"The extent of USD weakness over the past week reduces the danger of a post-Fed squeeze on USD longs and makes it less likely that the Fed Chair will dwell heavily on foreign exchange risks when she speaks at the press conference."
- BNP Paribas (based on Reuters)

Pair's Outlook

Broad US Dollar selling caused the strong support around 122.30 to be broken, which resulted in the USD/JPY stabilising on the edge of the third support at a one month low. Today the Greenback faces a rather strong resistance cluster, represented by the weekly S2, the 55, 100 and 200-day SMAs around 121.60, which might trigger more weakness and lead the pair down to 121.00, where the weekly S3 coincides with the monthly S1. However, a rebound is also possible, with the Buck climbing over the immediate resistance cluster and closing trade around the 122.00 major level.

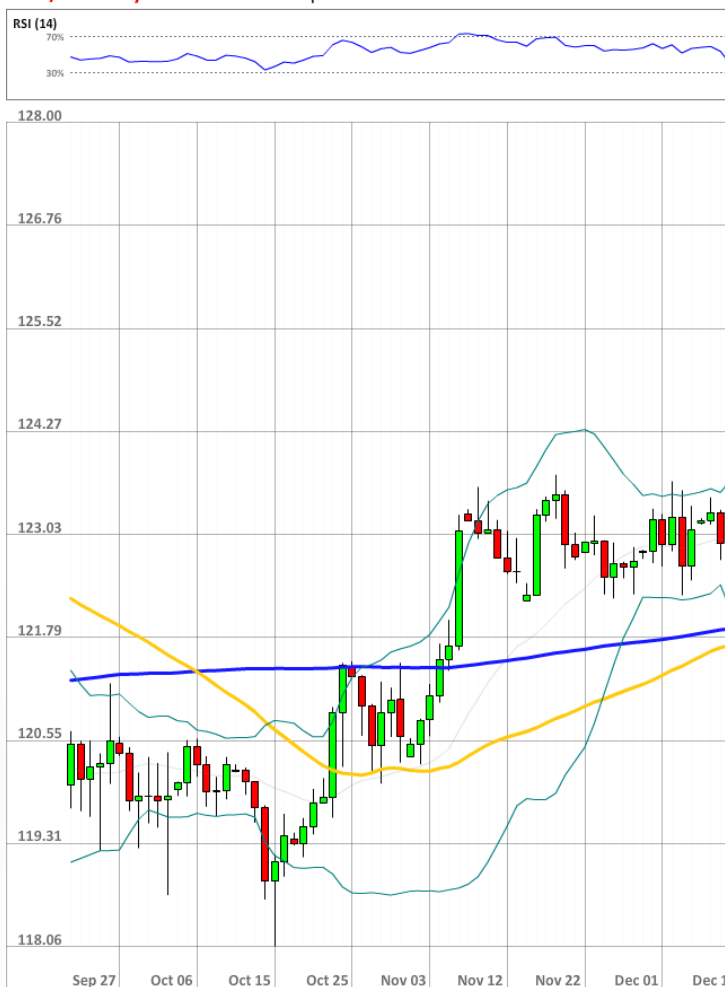
Traders' Sentiment

Bears allowed the bulls to regain some numbers, as 69% of all positions are now long. The share of buy orders slid from 68 to 42%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-38%	-50%	-42%	-44%
Orders (±50 pips)	2%	42%	48%	26%
Orders (±100 pips)	-16%	36%	36%	28%

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

USD/JPY Daily Chart Current price: 121.59



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
122.79			128
122.36		127	
121.44		125	125
120.99	125	125	
120.25	123		123
118.87	121		

Level	Rationale
Resistance 3: 122.79/123.01	20-day SMA; weekly PP
Resistance 2: 122.36	Weekly S1; monthly PP
Resistance 1: 121.44/75	55, 100 and 200-day SMAs; weekly S2; Bollinger band
Support 1: 120.99/98	Weekly S3; monthly S1
Support 2: 120.25	Nov low
Support 3: 118.87/71	Monthly S2; up-trend

Gold remains under bearish pressure



"Gold remains locked in a fairly tight range as investors are either sitting on the sidelines or are set in their positions already leading into next week's FOMC meeting."

- ANZ (based on WBP Online)

Pair's Outlook

The bullion saw its value climbing in the direction of the monthly pivot point on Wednesday. However, the bears were allowed to register the day-end losses, thus sending the price back below the 20-day SMA to 1,072. The long upper shadow formed by XAU/USD means that the US Dollar's bulls are keeping commodities under pressure before next week's Fed meeting. A rally is not off the table, but we expect the monthly PP at 1,086 to try preventing the bullish outcome, as it happened earlier last week. At the same time, a sufficient demand was set up by weekly PP and July low at 1,073.

Traders' Sentiment

Market sentiment with respect to the yellow metal has remained broadly flat during the previous trading day. We observed the total number of bullish positions rising from 62% to 63% in the SWFX market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	26%	24%	42%	36%

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

XAU/USD Daily Chart Current price: 1075.06



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233	1244		
1150	1148	1225	
1105			
1094			
1086			
1077			
1073			
1061			
1044			
		1083	
			1062

	Level	Rationale
Resistance 3	1,094	Bollinger band
Resistance 2	1,086	Monthly PP
Resistance 1	1,077	20-day SMA
Support 1	1,073/70	Weekly PP; Jul low
Support 2	1,061/58	Bollinger band; weekly S1
Support 3	1,044	2010 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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