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



Technical Analysis

EUR/USD tries to recover from 1.08



"After [...] ECB, we think downside is again compelling, in particular since the ECB so quickly signalled the possibility of renewed easing."

- Goldman Sachs (based on Bloomberg)

Pair's Outlook

Bears approached the market on Friday, following earlier ECB comments about possible policy changes in March. EUR/USD dipped below 55-day SMA and monthly PP to close the week just under 1.08. In the Asian session on Monday, however, it attempts to regain strength and come back into the triangle pattern. If successful, it will reestablish our mild positive view towards the pair with a possibility to extend a rally up to 1.0950-1.10 area in the mid-term. In case EUR/USD stays below 1.08 today, the focus will turn to 1.0723 (weekly S1) for the next 24 hours and 1.0521 (recent low) for the long run.

Traders' Sentiment

SWFX bears remain in the majority of 54% for open positions, as do the pending orders in both 50 and 100-pip ranges from the spot.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-8%	-8%	-12%	-10%
Orders (±50 pips)	-26%	12%	2%	-6%
Orders (±100 pips)	-20%	-10%	-10%	-8%

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

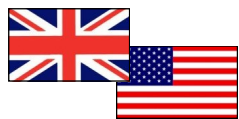
EUR/USD Daily Chart Current price: 1.0817



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.0967			1.1
1.0921			
1.0824			
1.0812	1.08	1.08	
1.0766			
1.0723			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
■ Resistance 3	1.0967/85	Bollinger band; 100-day SMA
■ Resistance 2	1.0921	Weekly R1
■ Resistance 1	1.0824/67	55/20-day SMAs; weekly PP
■ Support 1	1.0812	Monthly PP
■ Support 2	1.0766	Bollinger band
■ Support 3	1.0723	Weekly S1

GBP/USD to confirm the bearish trend



"Markets are concerned about both continued tightening and a U.S. recession. They likely only need to worry about one. Were the Fed to remind the market that it remains data-dependent, it could temporarily alleviate some of the pressure on USD."
- Morgan Stanley (based on Reuters)

Pair's Outlook

Last Friday the Cable retested the down-trend, but ended the day with a weaker rally of 47 pips, due to a disappointment in UK Retail Sales data. Any attempts to appreciate today should be limited by the down-trend around 1.4316, as there are no clear signs of a breakout to occur. Technical studies, in turn, continue to give bearish signals, suggesting the GBP/USD could turn around and suffer a loss today. As a result, a possibility of the Sterling piercing the immediate support in face of the weekly PP exists, with the pair stabilising closer to the 1.42 major level.

Traders' Sentiment

Market sentiment remains bullish, now at 66% (previously 67%). The share of buy orders, however, lost 14% points, falling down to 40%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	32%	34%	26%	27%
Orders (±50 pips)	-16%	2%	-30%	-14%
Orders (±100 pips)	-20%	8%	-30%	-20%

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: 1.4300



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5407	1.55		
1.5213			1.52
1.5020	1.51	1.51	
1.4827	1.49		
1.4633		1.48	
1.4440			1.47
1.4246	1.4495		
1.4053	1.4390		
	1.4316		
	1.4238		
	1.4112		
	1.4053		

	Level	Rationale
Resistance 3	1.4495/1.4567	20-day SMA; weekly R2; monthly S1
Resistance 2	1.4390/95	Monthly S2; weekly R1
Resistance 1	1.4316	Down-trend
Support 1	1.4238	Weekly PP
Support 2	1.4112	Weekly S1
Support 3	1.4053/39	Monthly S3; Bollinger band

Gold refrains from confirming triangle pattern



"The strength in stocks and the dollar is obviously a barrier to gold's move higher. Gold is losing its safe-haven bid."
- High Ridge Futures (based on Wall Street Journal)

Pair's Outlook

Our short-term views with respect to the bullion are broadly unchanged. Since Thursday the metal has been oscillating around 1,100. We are therefore remaining bearish on a daily basis, as downward pressure should be created by 100-day SMA and monthly R2 at 1,104/07. By violating this resistance gold is going to confirm the triangle pattern, the event which will change our outlook significantly to the upside. Main support is, however, offered by 20-day SMA/monthly R1/weekly S1 at 1,088/83. Inside such a dense technical cluster around the spot a continuation of the sideways trend is more likely.

Traders' Sentiment

Advantage of long traders has been unchanged since last Thursday, as they continue holding about 55% of all open transactions in the SWFX market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	10%	10%	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)	Neutral	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: 1101.39



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1123		1125	1125
1118			
1104	1100		
1098			
1088			
1077	1071		
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,123/31	Weekly R2; monthly R3; 200-day SMA
■ Resistance 2	1,118	Bollinger band
■ Resistance 1	1,104/10	Oct 2015 low; 100-day SMA; weekly R1; monthly R2
■ Support 1	1,098/96	Sep 2015 low; weekly PP
■ Support 2	1,088/83	20-day SMA; monthly R1; weekly S1
■ Support 3	1,077	55-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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