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05/11/2015

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



Technical Analysis

EUR/USD crossed 1.09 to expose 1.08



“Clearly, however, the Fed remains data dependent and in the near term there is still risk of dollar disappointment around Friday's jobs report.”
- BNP Paribas (based on Reuters)

Pair's Outlook

The Euro continued to weaken further versus the US Dollar on Wednesday. EUR/USD pierced through 1.09 yesterday, while the weekly S1 failed to sustain losses of this currency pair. Now bears are aiming at May and July lows at 1.0819/08, which are immediately followed by weekly S2 and monthly S1 at 1.0799/68. There a decline of the Euro can be suspended in the near term, while traders are waiting for US employment data on Friday. More pronounced moves of the cross will therefore be expected to take place tomorrow.

Traders' Sentiment

Bulls are holding the majority of open positions in the SWFX market, namely 52% of them, while commands to buy the Euro in 100-pip range from the spot climbed further from 48% to 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	2%	4%	2%
Orders (±50 pips)	2%	2%	-30%	-4%
Orders (±100 pips)	6%	-4%	-20%	-9%

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

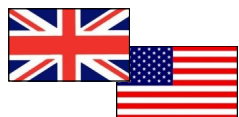
EUR/USD Daily Chart Current price: 1.0871



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			
1.1074			1.12
1.0998		1.11	
1.0901	1.09		
1.0818			
1.0768		1.07	1.07
1.0702	1.06		
		1.05	
			1.03

	Level	Rationale
■ Resistance 3	1.1074/79	Up-trend; 20-day SMA
■ Resistance 2	1.0998	Weekly PP
■ Resistance 1	1.0901	Weekly S1
■ Support 1	1.0818/1.0799	May and July lows; weekly S2
■ Support 2	1.0768	Monthly S1
■ Support 3	1.0702	Weekly S3

GBP/USD to retake 1.54



"Markets will already have much to chew through by the time the press conference begins. Any concerns over GBP strength will resonate, but we remain committed sterling bulls from a strategic perspective."

- TD Securities (based on FXStreet)

Pair's Outlook

Strong US fundamentals pushed the Cable back under the 1.54 level, but the powerful cluster around 1.5360 limited the losses. Although the same group of supports is still preventing the GBP/USD from edging lower today, another portion of US fundamental might push the pair into the middle of the cluster to 1.5360. From a technical point of view, the Sterling should rebound, with the exchange rate returning to the 1.54-1.55 trading range. The 100-day SMA is the immediate resistance and should limit upside volatility.

Traders' Sentiment

Bulls and bears broke out of equilibrium, with long positions taking up 51% of the market today. Meanwhile, the number of orders to purchase the British Pound declined from 65 to 63%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	2%	0%	6%	5%
Orders (±50 pips)	16%	30%	38%	8%
Orders (±100 pips)	26%	30%	48%	8%

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

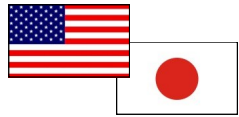
GBP/USD Daily Chart Current price: 1.5387



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5786		1.58	
1.5673			
1.5559	1.56		
1.5446	1.54	1.54	1.54
1.5332			
1.5218			
1.5105	1.51	1.51	1.51
1.4991			

Level	Rationale
Resistance 3: 1.5568/1.5604	38.20% Fib; monthly R1; weekly R2
Resistance 2: 1.5511/15	Bollinger band; weekly R1
Resistance 1: 1.5471	100-day SMA
Support 1: 1.5378/41	Monthly and weekly PPs; 20, 55 and 200-day SMAs
Support 2: 1.5289	Weekly S1
Support 3: 1.5242/13	Bollinger band; up-trend

USD/JPY in tight range between 100 and 200-day SMAs



“Now no decision has been made on that [Fed interest rate hike] and, what it will depend on, is the [Federal Open Market Committee's] assessment at the time. That assessment will be informed by all of the data that we collect between now and then.”

- Janet Yellen, Fed Chair (based on WBP Online)

Pair's Outlook

The USD/JPY appreciated slightly more than anticipated and, as a result, stabilised at the highest in two months. Even though the Greenback is supported by the weekly R1 today, a sharper fall towards the 200-day SMA at 121.08 is possible if the fundamental data disappoints. At the same time, the 100-day SMA, along with the August 28 high (121.74) are providing resistance, a break of which should then trigger a rally towards the June high at 125.87 in a longer perspective.

Traders' Sentiment

Market sentiment remains bearish, but with 63% of traders holding short positions, compared to 71% yesterday. The share of buy commands remains unchanged, accounting for 56% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-26%	-42%	-18%	-15%
Orders (±50 pips)	16%	-4%	54%	8%
Orders (±100 pips)	12%	12%	48%	24%

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	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: 121.50



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
122.66			128
122.03		127	
121.76		125	125
121.39	125	123	123
121.08	123	122	
120.70	121		

	Level	Rationale
■ Resistance 3	122.66	Weekly R3
■ Resistance 2	122.03/18	Bollinger band; monthly R1; weekly R2
■ Resistance 1	121.76	100-day SMA
■ Support 1	121.39	Weekly R1
■ Support 2	121.08	200-day SMA
■ Support 3	120.70	Weekly PP

Gold closed at Oct 2 low; 1,100 level to be next



"We think that a December rate hike is more likely than not and an appropriate market reaction is a lightening up of risk, weaker commodities, higher yields and a firmer dollar."

- ANZ (based on CNBC)

Pair's Outlook

The bullion is now declining for six consecutive days. Since Wednesday of the previous week gold has lost around \$60 per ounce in its price, while yesterday a sell-off was extended below the four-month trend-line. Bearish action was stopped by the Oct 2 low at 1,106. Our expectations are turning further to the downside. Market participants are ready to price in the upcoming US payrolls data on Friday, and positive outcome may send the yellow metal as low as 1,100 and even below this psychological mark. The long term support for gold is July low at 1,070.

Traders' Sentiment

As the precious metal continues to lose value, even more SWFX traders are fixing profit by closing short open positions. Yesterday the share of bulls has therefore risen from 50% to 54%, while bears are down to 46%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	0%	4%	4%

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

XAU/USD Daily Chart Current price: 1110.50



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244			
1233			
1225			
1150	1148	1150	
1126			
1118			
1110			
1105			
1104			
1100			
1083			
1082			
1062			

	Level	Rationale
■ Resistance 3	1,126	Weekly S1
■ Resistance 2	1,118	Up-trend
■ Resistance 1	1,110	Weekly S2
■ Support 1	1,104	Oct low
■ Support 2	1,100/1,097	Monthly S1; Sep low; Bollinger band
■ Support 3	1,082	Weekly S3

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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