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



Technical Analysis

EUR/USD continues eyeing 1.1115/00



"I regard it as unwise to continue a normalization strategy in an environment of declining market-based inflation expectations."

- James Bullard, St. Louis Fed President (based on Bloomberg)

Pair's Outlook

In general the pair is hovering on the downside, while closely monitoring the nearest support zone at 1.1115/00 represented by the monthly R2, weekly S1 and 20-day SMA. Alongside, these levels are all strengthened by the September low and 200-day SMA at 1.1087/51. Such a state of affairs may cause a short-term revival in the direction of the 1.1238/46 area, also given that daily indicators maintain the confident bullish outlook. Beyond today, however, we see EUR/USD struggling to cope with selling pressure.

Traders' Sentiment

There is a ten percentage point negative gap between the long and short participants in the SWFX market. However, pending orders are mainly set to acquire the 19-nation currency against the Dollar, in 52% of all cases for both 50 and 100-pip ranges from the spot price.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-12%	-22%	-16%
Orders (±50 pips)	-8%	-8%	-6%	6%
Orders (±100 pips)	-2%	-6%	-4%	8%

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

EUR/USD Daily Chart Current price: 1.1141



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1438			
1.1390			
1.1238			
1.1115			
1.1051			
1.0972			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
Resistance 3	1.1438/60	Bollinger band; Sep 2015 high
Resistance 2	1.1390/1.14	Up-trend; weekly R1
Resistance 1	1.1238/46	Weekly PP; monthly R3
Support 1	1.1115/1.1087	Monthly R2; weekly S1; 20-day SMA; Sep 2015 low
Support 2	1.1051	200-day SMA
Support 3	1.0972/48	Monthly R1; 100-day SMA; weekly S2; 55-day SMA

GBP/USD takes another shot at edging above 1.43



"The Fed remains data dependent and so upcoming gauges of U.S. inflation, wages and jobs gains will be very closely watched. As it stands now, the market may be pricing in an overly negative economic scenario that results in no further rate hikes this year."
- Commonwealth Foreign Exchange (based on CNBC)

Pair's Outlook

The Cable was able to almost completely recover from its intraday loss, as the FOMC minutes were interpreted as dovish. The weekly S2 at 1.4255 keeps providing immediate resistance and is likely to prevent the GBP/USD from edging lower. However, technical studies remain in favour of the bullish scenario, implying the Sterling could remain above the 1.43 major level. Meanwhile, the closest area to limit the gains is located just under the 1.44 mark, but is unlikely to be reached today.

Traders' Sentiment

Today 58% of all open positions are long, compared to 63% on Wednesday. At the same time, the number of orders to acquire the Sterling increased from 52 to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	16%	26%	8%	11%
Orders (±50 pips)	36%	-2%	-8%	9%
Orders (±100 pips)	12%	4%	-10%	3%

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

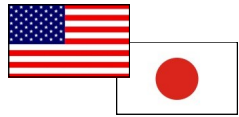
GBP/USD Daily Chart Current price: 1.4297



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55		1.52	
1.51	1.51		
1.49		1.47	
1.48			
1.4611			
1.4481			
1.4380			
1.4255			
1.4173			
1.3945			

Level	Rationale
Resistance 3: 1.4611/31	Weekly R1; Bollinger band; 55-day SMA
Resistance 2: 1.4481	Weekly PP
Resistance 1: 1.4380/1.4401	Monthly PP; weekly S1; 20-day SMA
Support 1: 1.4255	Weekly S2
Support 2: 1.4173/57	Bollinger band; weekly S3
Support 3: 1.3945	Monthly S1

USD/JPY struggles to stay above 114.00



"If broader risk aversion is steady, as we suspect, we have to think the yen is at risk of giving back more of its recent strength."

- Scotia Capital (based on Reuters)

Pair's Outlook

The US currency remained unchanged against the Japanese Yen on Wednesday, as demand at 113.88 proved to be sufficient to keep the pair elevated. Technically, we might see a rebound, with the exchange rate touching the 115.00 level. The nearest resistance leaves enough room for a rally beyond 116.00; however, impetus to push the pair that high is absent. Nonetheless, the Buck lacks the strength to exit its current bearish trend, while daily and weekly technical studies keep giving bearish signals, suggesting the USD/JPY currency pair is to attempt and breach the immediate support area.

Traders' Sentiment

Traders' sentiment keeps improving, with 69% of traders being long the Buck, while the share of buy orders skyrocketed from 23 to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	38%	34%	4%	-7%
Orders (±50 pips)	40%	-2%	24%	4%
Orders (±100 pips)	36%	-54%	0%	6%

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

USD/JPY Daily Chart Current price: 113.93



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125	125	125
123		123	
122			122
119.59			
118.76			
116.64			
113.89			
111.78			
110.27			

	Level	Rationale
■ Resistance 3	119.59/119.96	Monthly PP; 100-day SMA
■ Resistance 2	118.76	55-day SMA
■ Resistance 1	116.64/117.50	20-day SMA; weekly R1; monthly S1
■ Support 1	113.89/88	Weekly PP; monthly S2
■ Support 2	111.78/36	Monthly S3; Bollinger band
■ Support 3	110.27	Weekly S1

Gold lacks stronger upside momentum



“With the uncertainty in the global economy and the relatively dovish Fed minutes that were out yesterday, gold prices will still be supported above \$1,200.”

- OCBC Bank (based on CNBC)

Pair's Outlook

The daily chart has been showing mixed signals for several days in a row. Gold tested the third monthly resistance (1,209) yesterday, but ultimately closed the session below it. By succeeding here, the bulls will be in a position to prolong gains to 1,221 (weekly PP) over the next 24 hours. We cannot rule out the bullion will fail in the vicinity of this supply. An attempt of attacking October high (1,191) is possible, even though daily indicators tend to oppose bearish scenario. Below 1,190 would reassure us a correction is on the table.

Traders' Sentiment

We observed the bullish share of open positions bouncing off the lowest level in at least two years. It grew to a third from only 27% about 24 hours ago.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-46%	-38%	-14%	-14%

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

XAU/USD Daily Chart Current price: 1209.54



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1232			1250
1221			
1209	1206	1200	
1191			
1180			
1172			
		1125	1125
	1100		
	1071		
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,232	May 2015 high
■ Resistance 2	1,221	Weekly PP
■ Resistance 1	1,209	Monthly R3
■ Support 1	1,191	Oct 2015 high
■ Support 2	1,180	Weekly S1
■ Support 3	1,172/68	Aug 2015 high; monthly R2; 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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