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22/03/2016

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



Technical Analysis

Tuesday, March 22, 2016
08:30 GMT

EUR/USD holds above support at 1.1225



"Going up is hard to do, but the dollar will go up."
- Goldman Sachs (based on Bloomberg)

Pair's Outlook

Fluctuations of the most traded FX currency pair were quite limited on Monday, mainly owing to emptiness of the economic calendar. Daily range stood within 20 pips, meaning EUR/USD is maintaining 1.1227/23 as the immediate support. We are thereby not ruling out a spike to 1.1310 where the pair is going to meet the multi-month downtrend. Failure there would be the second one in four days and would diminish our future outlook. Adding to that, the daily RSI indicator supposes the cross is overbought, even though such a view is disagreed by many other daily indicators.

Traders' Sentiment

Even though the short market participants in the SWFX market are holding the portion of 56%, this is their lowest level in five working days.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-12%	-18%	-10%	-12%
Orders (±50 pips)	28%	4%	4%	2%
Orders (±100 pips)	18%	4%	8%	3%

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

EUR/USD Daily Chart Current price: 1.1243

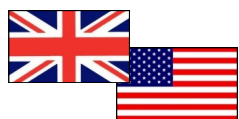


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1495			
1.1377			
1.1310			
1.1227			
1.1129			
1.1041			1.1
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

	Level	Rationale
R3	1.1495/1.1507	October 2015 high; weekly R2
R2	1.1377/1.1404	February high; Bollinger bands; weekly R1
R1	1.1310/43	Downtrend lines
S1	1.1227/23	Monthly R1; weekly PP
S2	1.1129/04	20-day SMA; weekly S1
S3	1.1041/21	200/55-day SMAs; monthly PP

Tuesday, March 22, 2016
08:30 GMT

GBP/USD retakes 1.44



"Politics is going to be more important than economics for the next three months in the UK and so far, both major political parties seem pretty keen on tearing themselves apart from within. The resignation of Iain Duncan Smith will simply add another layer of political risk to sterling's prospects."
- Societe Generale (based on Reuters)

Pair's Outlook

On Monday the Sterling experienced the expected corrective decline against the Buck and returned below the 1.44 major level. However, according to technical indicators, the Pound is likely to appreciate again and extend its recovery towards the current broadening falling wedge's resistance line. The Cable remains supported by the weekly PP and the 55-day SMA around 1.4335, while the monthly R1 is providing immediate resistance at 1.4446. In case of a breach of the monthly R1, the second target will be the Bollinger band circa 1.4566, but the 1.45 psychological level is to prevent the pair from surging that high.

Traders' Sentiment

Market sentiment slightly improved, as 58% of all open positions are currently long (previously 51%). The share of purchase orders also increased, namely from 43 to 60%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	16%	2%	32%	15%
Orders (±50 pips)	4%	-42%	44%	-10%
Orders (±100 pips)	20%	-14%	22%	-1%

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

GBP/USD Daily Chart Current price: 1.4338

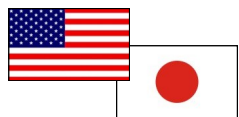


SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
		1.56	1.56
1.55			
			1.52
1.51	1.51		
1.49			
		1.48	
			1.47
1.4645			
1.4565			
1.4446			
1.4349			
1.4197			
1.3888			

	Level	Rationale
R3	1.4645/50	Weekly R1; 100-day SMA
R2	1.4565	Bollinger band
R1	1.4446	Monthly R1
S1	1.4349/14	Weekly PP; 55-day SMA
S2	1.4197/41	Weekly S1; 20-day SMA; monthly PP
S3	1.3888	Weekly S2

Tuesday, March 22, 2016
08:30 GMT

USD/JPY struggles to remain above 112.00



"JPY longs finally dropped last week from their highest levels since 2008. This coincided with a better tone in many stock markets and suggests that risk appetite has improved."
- Rabobank (based on WBP Online)

Pair's Outlook

The USD/JPY currency pair extended its recovery yesterday, reaching the 112.00 major level. The Greenback now faces an immediate resistance at 112.11 in face of the weekly PP, but this level might give in, as the Buck appears to be heading towards its descending channel's resistance line around 113.40. However, technical studies are now giving bearish signals in all timeframes, suggesting that supply, represented by the weekly PP, is sufficient to cause a decline towards the nearest support, namely the Bollinger band at 111.38, which in turn is reinforced by the channel's lower border.

Traders' Sentiment

Nearly three quarters (73%) of traders are now long the US Dollar, compared to 70% on Monday. Meanwhile, all pending orders are equally divided between the buy and the sell ones.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	46%	40%	44%	46%
Orders (±50 pips)	16%	22%	-10%	-5%
Orders (±100 pips)	0%	-30%	-2%	4%

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

USD/JPY Daily Chart Current price: 111.74



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

	Level	Rationale
■ R3	113.55/61	Weekly R1; down-trend
■ R2	112.97	20-day SMA
■ R1	112.11	Weekly PP
■ S1	111.39/08	Bollinger band; down-trend
■ S2	110.08	Weekly S1
■ S3	108.64/60	Weekly S2; monthly S1

Tuesday, March 22, 2016
08:30 GMT

Gold: key watch on long-term uptrend at 1,247



"In my mind there's still concerns out there on price."
- Ayers Alliance (based on CNBC)

Pair's Outlook

Gold has formally broken the long-term uptrend line near 1,245 yesterday, but it has a chance to show the bulls remain active. The drop was caused by stronger Greenback, which recovered after the astonishing slide last week. The key watch is on 1,250 for the next 24 hours. Ability to close above here will revive the possibility of a rally beyond the February high located at 1,263.50. The main support is still offered by the 20-day SMA at 1,241. Reliability of this lonely demand can be questioned, while a failure here will keep traders focused on much lower levels circa 1,205/12.

Traders' Sentiment

Monday has seen an improvement in terms of the bullish side of SWFX positions. It added three percent to increase up to 34% by the March 22 morning.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-32%	-38%	-10%	-22%

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

XAU/USD Daily Chart Current price: 1254.89



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1295			
1270			
1263			
1250			1250
1242			
1230			
1206		1200	
1125			1125
1100			
1071			
1048			
1037			

	Level	Rationale
R3	1,295	Weekly R2; monthly R1
R2	1,270/75	Bollinger band; weekly R1
R1	1,263	February high
S1	1,250/47	Uptrend; weekly PP
S2	1,242/40	20-day SMA
S3	1,230	Weekly S1

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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