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



Technical Analysis

EUR/USD opens lower as risk appetite grows



"The median of the dot plot will likely migrate to three rate hikes or maybe even two quarter-point rate hikes for 2016."
- Bank of the West (based on Reuters)

Pair's Outlook

Markets foresee a consolidation of the Euro in the nearest future, following sharp upward moves earlier over the two preceding weeks. Monday opened with the spot below 1.1246/38, namely the monthly R3 and weekly pivot point. The first bearish target to meet is Feb 9-10 lows at 1.1162, followed by the monthly R2, weekly S1 and 20-day SMA around 1.11. The bulls should rely on this dense support, given that daily technical indicators are confident the EUR/USD pair will be able to resume advancing.

Traders' Sentiment

Over the weekend the share of bullish traders has gone up to 46%, compared to 42% on Friday. Alongside, 56% and 53% of all pending orders are set to sell EUR vs USD in 50 and 100-pip ranges from the spot price, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-8%	-16%	-32%	-17%
Orders (±50 pips)	-12%	-4%	14%	5%
Orders (±100 pips)	-6%	0%	10%	7%

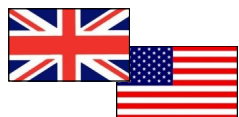
Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Neutral
ADX (14)	Buy	Neutral	Sell
CCI (14)	Neutral	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

EUR/USD Daily Chart Current price: 1.1225



	Level	Rationale
■ Resistance 3	1.1453/60	Bollinger band; Sep 2015 high
■ Resistance 2	1.1382/90	Up-trend; weekly R1
■ Resistance 1	1.1239/46	Weekly PP; monthly R3
■ Support 1	1.1115/1.1090	Monthly R2; weekly S1; 20-day SMA
■ Support 2	1.1054	200-day SMA
■ Support 3	1.0972/39	Monthly R1; 100-day SMA; weekly S2; 55-day SMA

GBP/USD attempts to remain elevated above 1.45



"I don't see any significant recovery of the pound at this point because there are so many other risks apart from the fundamental ones, including the upcoming EU summit. We might get clarity on the vote's timing next week but not on its final outcome."
- Commerzbank (based on Bloomberg)

Pair's Outlook

Last Friday, the Sterling was unable to significantly outperform the US Dollar and failed to completely negate the preceding day's losses. Nonetheless, the GBP/USD currency pair is managing to maintain trade above the 1.45 major level, with the weekly PP at 1.4481 providing immediate support. In case the bears take over, a stronger cluster rests around 1.4380, where the up-trend coincides with the monthly PP. However, according to technical indicators, the Cable is likely to edge higher, but with the closest resistance in face of the weekly R1 at 1.4611 being out of reach.

Traders' Sentiment

Market sentiment inched closer to equilibrium, as 53% of all open positions are now long, compared to 56% on Friday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	12%	0%	2%
Orders (±50 pips)	10%	-6%	30%	-2%
Orders (±100 pips)	-6%	-6%	14%	-8%

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

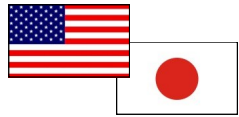
GBP/USD Daily Chart Current price: 1.4530



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55			
1.51	1.51	1.52	
1.49			
1.4838	1.48		
1.4663			
1.4611			
1.4481			
1.4389			
1.4255			
		1.47	

	Level	Rationale
■ Resistance 3	1.4838	Weekly R3
■ Resistance 2	1.4663/1.4708	Bollinger band; 55-day SMA; monthly R1; weekly R2
■ Resistance 1	1.4611	Weekly R1
■ Support 1	1.4481	Weekly PP
■ Support 2	1.4389/80	20-day SMA; weekly S1; up-trend; monthly PP
■ Support 3	1.4255	Weekly S2

USD/JPY enjoys risk appetite



"The dollar may show a technical rebound against the yen from excessive response last week, but selling on recovery will likely predominate."

- Deutsche Bank (based on Market Watch)

Pair's Outlook

The US currency succeeded in appreciating against the Yen on Friday, with gains limited by the resistance trend-line at 113.20. Earlier today the Buck strengthened even further, as the risk-on sentiment returned to the markets. The USD/JPY currency pair now faces a rather strong resistance, represented by the monthly S2 and the weekly PP, a breach of which is required for the pair to completely exit the previous two-week down-trend. The bearish trend could still prevail, pushing the Greenback towards the nearest support circa 112.00, as technical studies retain negative signals.

Traders' Sentiment

Bears are now outnumbering the bulls by 4% points, whereas the share of purchase orders declined from 62 to 59%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-4%	4%	-42%	-29%
Orders (±50 pips)	22%	0%	20%	-2%
Orders (±100 pips)	18%	24%	14%	3%

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: 113.91



	Level	Rationale
Resistance 3	119.25/59	55-day SMA; monthly PP
Resistance 2	116.81/117.50	Weekly R1; 20-day SMA; monthly S1
Resistance 1	113.88/89	Monthly S2; weekly PP
Support 1	112.23/111.78	Bollinger band; monthly S3
Support 2	110.27	Weekly S1
Support 3	107.35	Weekly S2

Gold attempts to retake monthly R3 at 1,209



"Gold is lower because of the good bounce in equities and the Chinese selling."

- a Sydney-based trader (based on CNBC)

Pair's Outlook

The bullion's bears are trying to demolish the rally of Thursday when the metal had surged from sub-1,200 to above 1,245. Monday morning sees a moderate sell-off, as markets regain risk-taking sentiment. The key support is placed at 1,209 represented by the monthly R3. A drop below here would allow for a loss below the 1,200 psychological mark and in the direction of the October 2015 high at 1,191. Technical indicators still estimate more purchases and the RSI assumes gold is not overbought any more. However, the bullish scenario is quite unlikely to materialise over the next 24 hours.

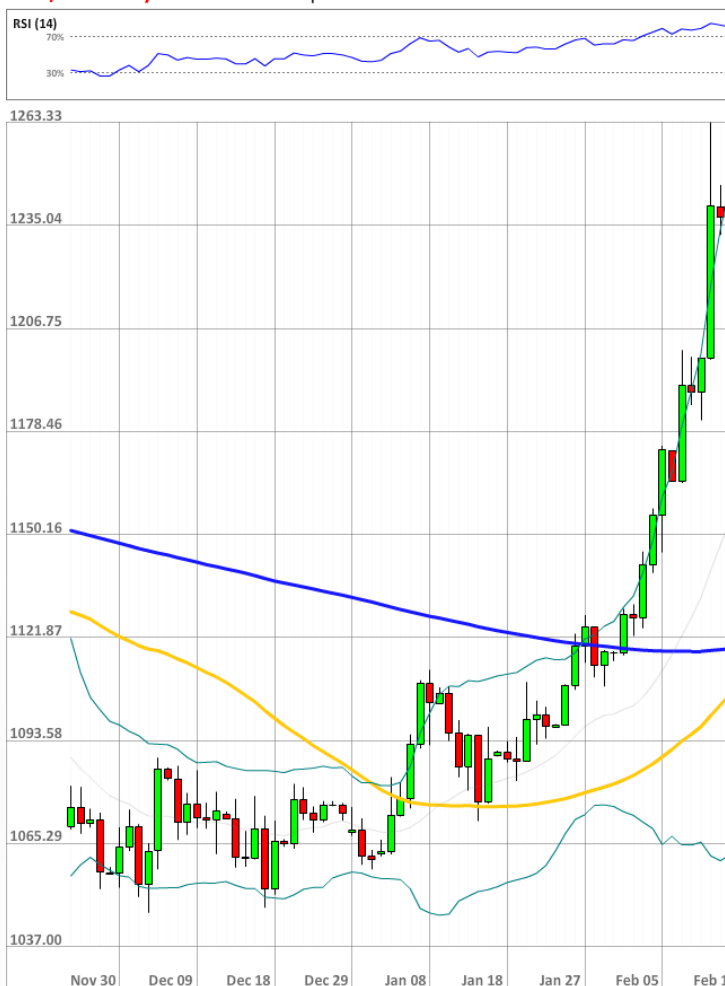
Traders' Sentiment

Bullish market participants' portion is up to only 44% by Monday morning, meaning the majority still prefers downward correction to growth.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-14%	0%	-3%

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)	Sell	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: 1219.35



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1256			
1232			1250
1221			
1209	1206	1200	
1191		1125	1125
1180			
	1100		
	1071		
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,256	Bollinger band
■ Resistance 2	1,232	May 2015 high
■ Resistance 1	1,221	Weekly PP
■ Support 1	1,209	Monthly R3
■ Support 2	1,191	Oct 2015 high
■ Support 3	1,180	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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