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



# Technical Analysis

## EUR/USD keeps trading in tight range



*"What actually changed the euro was that banks have a lending survey and for October it was very positive - only pointed out positives and so there's no need for the European Central Bank to increase quantitative easing."*  
- Tempus Consulting (based on Reuters)

### Pair's Outlook

Attempts to grow were undertaken by the EUR/USD currency pair on Tuesday. However, the momentum used to be weak enough in order to resume testing the closest resistance at 1.1392/95 (weekly PP; monthly R1). Therefore, the pair remains in limbo between the mentioned supply and support at 1.13 (20-day SMA; weekly S1). Even though daily indicators continue pointing strongly upwards, our short term expectation is fairly neutral with respect to EUR/USD for the moment.

### Traders' Sentiment

The share of SWFX bullish open positions is unchanged at 45%. Meanwhile, percentage of pending orders to buy the Euro against the US Dollar in 100-pip range from the spot recovered back above the 50% threshold to reach the 55% mark.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-10%	-6%	-10%
Orders (±50 pips)	18%	4%	10%	17%
Orders (±100 pips)	10%	-4%	10%	11%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	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

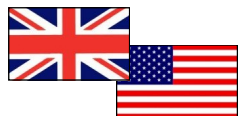
EUR/USD Daily Chart Current price: 1.1359



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1552			
1.1449			
1.1392			
1.1311	1.13		
1.1241			1.12
1.1176		1.11	
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
Resistance 3	1.1552	Weekly R2
Resistance 2	1.1449/73	Weekly R1; Bollinger band
Resistance 1	1.1392/95	Weekly PP; monthly R1
Support 1	1.1311/1.1289	20-day SMA; weekly S1
Support 2	1.1241/31	Weekly S2; monthly PP; 55-day SMA
Support 3	1.1176	100-day SMA

## GBP/USD to test 1.55 once more



*"Fearing a more dovish ECB message, we still like to be long pound-dollar and short euro-pound."*  
- Citi (based on Bloomberg)

### Pair's Outlook

Yet again the Cable's volatility to the upside was limited by the 1.55 major level. Moreover, the pair was pushed slightly back, suffering a 21-pip loss, amid mixed US fundamental data results. Nevertheless, the GBP/USD keeps closing trade higher each day, with another rebound expected today, whereas technical indicators are bolstering this possibility with their bullish signs. The cluster around the 1.55 psychological level keeps providing resistance; a breakout today is unlikely to occur.

### Traders' Sentiment

More traders now have a positive outlook towards the Sterling, as 55% of all positions are long (previously 53%). Meanwhile, the number of buy orders returned to its Monday's level of 36%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	6%	16%	15%
Orders (±50 pips)	-44%	8%	-38%	-10%
Orders (±100 pips)	-28%	6%	-30%	-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)	Buy	Sell	Sell
Alligator (13; 8; 5)	Neutral	Neutral	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

GBP/USD Daily Chart Current price: 1.5444



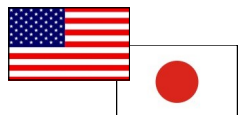
SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5688		1.58	1.59
1.5538	1.56		
1.5488			
1.5410	1.54	1.54	1.54
1.5328			
1.5297			
	1.51	1.51	1.51

	Level	Rationale
Resistance 3	1.5688	Weekly R2
Resistance 2	1.5538/68	Bollinger band; weekly R1; 38.20% Fibo
Resistance 1	1.5488/90	100-day SMA; monthly R1
Support 1	1.5410/1.5380	55-day SMA; weekly PP
Support 2	1.5328	200-day SMA
Support 3	1.5297/90	Monthly PP; 20-day SMA

## USD/JPY takes another crack at 120.00

Wednesday, October 21, 2015

07:30 GMT



***“We see (dollar) selling when the dollar comes closer to ¥120. The dollar remains range-bound.”***

- Tokyo Forex & Ueda Harlow Ltd. (based on Market Watch)

## ■ Pair's Outlook

The US Dollar appreciated against the Japanese Yen for the fourth day in a row, but was unable to pierce the resistance just under the 120.00 major level. Although the Greenback remains relatively strong and is outperforming the Yen in the hourly hours, risks of falling down persist. The 20-day SMA and the weekly PP are still a decent obstacle around 119.90. A breach of this level will doubtfully do any good for the USD/JPY, as a much stronger resistance cluster lies around 120.63, namely the area, which prevented the pair from rising higher for the past seven weeks.

## ■ Traders' Sentiment

Bulls keep gaining numbers, as 72% of traders are now long the Buck. The share of purchase orders now takes up 48% of the market.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	42%	44%	44%
Orders (±50 pips)	-4%	-18%	60%	1%
Orders (±100 pips)	-4%	0%	52%	12%

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

USD/JPY Daily Chart      Current price: 119.98



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
			128
		127	
		125	125
	125		
	123		123
		122	
121.27	121		
120.41			
119.85			
119.23			
118.53			
117.19			

	Level	Rationale
Resistance 3	121.27/43	Monthly R1; weekly R2
Resistance 2	120.41/91	Weekly R1; 55 and 200-day SMAs; Bollinger band
Resistance 1	119.85/93	20-day SMA; monthly PP
Support 1	119.23/00	Weekly PP; Bollinger band
Support 2	118.53/22	Monthly and weekly S1s
Support 3	117.19/04	Monthly and weekly S2s

## Aug high provides strong support for gold



*"(But) a potential higher interest rate environment, better growth story into 2016, are strong fundamental drivers underpinning a bear gold story going forward."*

- OCBC (based on CNBC)

### ■ Pair's Outlook

In the beginning of Tuesday the yellow metal was actively testing the Aug high at 1,170, while a decline below this mark could expose the next demand as low as 1,155. However, the bullion revived later in the day to show confident gains up to the 200-day SMA at 1,175. Any movements around the long term moving average are important; however, we should observe a climb beyond 1,181 (monthly R2) in order to rehabilitate bullish expectations. A bounce back is therefore not completely off the table at the moment.

### ■ Traders' Sentiment

SWFX market sentiment with respect to the precious metal remained broadly unchanged for the past three weeks. Yesterday the bullish share added just one percentage point to 52%, but an advantage remains very negligible right now.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	2%	4%	3%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Sell	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Neutral	Sell	Buy
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: 1177.35



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1205		1244	
1194			
1181			
1175			
1156	1150	1148	1150
1147			
1105			
1083			
1062			

	Level	Rationale
■ Resistance 3	1,205	Monthly R3
■ Resistance 2	1,194/98	Bollinger band; weekly R1
■ Resistance 1	1,181	Monthly R2
■ Support 1	1,175/70	Aug high; weekly PP; 200-day SMA
■ Support 2	1,156/55	Weekly S1; 20-day SMA
■ Support 3	1,147	Monthly R1



## 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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