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



# Technical Analysis

# EUR/USD opens lower at 1.073 on Monday



*“The events in Paris on Friday would have diverted funds away from risky assets -- including, in this case, the euro.”*  
- Macquarie Bank Ltd. (based on Bloomberg)

## Pair's Outlook

On Friday the Euro resumed sliding down and reached the monthly S1 at 1.0768 by the end of trading, even though the lead of bears was extending as low as 1.0713. On Monday EUR/USD opened lower amid impactful political background in Europe. Nonetheless, we expect a sideways development throughout the whole session in the beginning of this week. Mid-term sentiment has a bearish bias, with short traders targeting the Apr low at 1.0519. In this case, at first the recent low (Nov 10) at 1.0673 should be crossed to confirm those downside intentions.

## Traders' Sentiment

Bulls raised their share to 55% by Monday morning, the highest level in almost 15 weeks. Pending orders, however, deteriorated to just 39% for bulls in 100-pip range from the spot market price.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	6%	4%	3%
Orders (±50 pips)	-14%	10%	-10%	-5%
Orders (±100 pips)	-22%	-2%	-12%	-12%

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

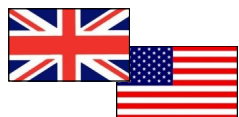
EUR/USD Daily Chart Current price: 1.0722



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11		1.11	
1.09			
1.0841			
1.0808			
1.0758			
1.0686		1.07	1.07
1.0602	1.06		
1.0558		1.05	
			1.03

	Level	Rationale
■ Resistance 3	1.0841	Weekly R1
■ Resistance 2	1.0808/19	July and May lows
■ Resistance 1	1.0758/68	Weekly PP; monthly S1
■ Support 1	1.0686	Weekly S1
■ Support 2	1.0602	Weekly S2
■ Support 3	1.0558/19	Bollinger band; monthly S2; weekly S3; Apr low

# GBP/USD refuses to fall under 1.52



*“Risk aversion is on the rise and we are seeing broad-based U.S. dollar strength across the board and this may continue until the year end as recent economic data has also disappointed.”*

- Barclays (based on Reuters)

## Pair's Outlook

After testing the 23.60% Fib, the GBP/USD recovered from intraday losses due to disappointing US fundamentals. Although the pair remained relatively unchanged over the day, a correction is expected to take place today. The 23.60% Fib, monthly S1 and weekly PP continue to form the support cluster around 1.5185, but the 1.52 psychological level might also contribute to holding the dips today. Meanwhile, technical studies are giving distinctly bearish signals, bolstering the possibility of the negative outcome.

## Traders' Sentiment

The gap between the bulls and the bears narrowed, as 56% of all positions are short and the remaining 44% are long. At the same time, the share of sell orders added an extra 2% points, up to 61%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-20%	-8%	-8%
Orders (±50 pips)	-20%	-16%	2%	-5%
Orders (±100 pips)	-22%	-18%	-2%	-3%

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

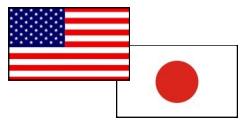
GBP/USD Daily Chart Current price: 1.5213



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5782		1.58	
1.5664			
1.5546	1.56		
1.5519			
1.5429	1.54	1.54	1.54
1.5382			
1.5311	1.5289		
1.5193			
1.5185	1.51	1.51	1.51
1.5075			
1.5096			
1.4957			

	Level	Rationale
Resistance 3	1.5519/87	Bollinger band; weekly R3; 38.20% Fib, monthly R1
Resistance 2	1.5382/1.5427	Down-trend; weekly R2; 100-day SMA
Resistance 1	1.5289/1.5347	20, 55 and 200-day SMAs; weekly R1; monthly PP
Support 1	1.5185/79	Monthly S1; 23.60% Fib; weekly PP
Support 2	1.5096/60	Weekly S1; Bollinger band
Support 3	1.4957/45	Monthly and weekly S2s

## USD/JPY rises on risk aversion



*“Our stance is that the BOJ and the government are comfortable with where the yen is. Unless there's a significant deflationary shock in the form of a very strong currency or a significant decline in equities, their inclination is to hold [the QE].”*  
- HSBC (based on CNBC)

### Pair's Outlook

Even though the USD/JPY currency pair's exchange rate barely changed on Friday, despite weak US fundamental data, a 34-pip drop occurred over the weekend. The Greenback appears to be determined to recover from a full week of losses, with the nearest resistance located only at 122.87, namely the weekly PP. The monthly R1 and weekly S1 are forming a demand area around 122.10, which with the bullish technical indicators are increasing the US Dollar's chances of closing near the Friday's opening price.

### Traders' Sentiment

The share of short positions remains rather high at 74% (75% on Friday), whereas the portion of orders to acquire the US currency declined from 74 to 54%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-48%	-50%	-42%	-43%
Orders (±50 pips)	14%	42%	-34%	5%
Orders (±100 pips)	8%	48%	-18%	14%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Neutral
ADX (14)	Sell	Neutral	Buy
CCI (14)	Neutral	Sell	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: 122.44



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
124.03			128
123.30		127	
122.87		125	125
122.14	125		
121.72		122	
121.26	121		123

	Level	Rationale
■ Resistance 3	124.03	Weekly R2
■ Resistance 2	123.30/66	Weekly R1; monthly R2; Bollinger band
■ Resistance 1	122.87	Weekly PP
■ Support 1	122.14/04	Weekly S1; monthly R1
■ Support 2	121.72/56	Weekly S2; 20 and 100-day SMAs
■ Support 3	121.26	200-day SMA



# Gold climbs past 1,095 on Japan's GDP data



*"Safe-haven buying following the terrible events in Paris over the weekend has taken gold higher this morning."*  
- MKS Group (based on CNBC)

## Pair's Outlook

Very few fundamentals, other than US ones, are usually able to drive the bullion substantially. However, today an exception was made for Japan, where economy entered a technical recession. Gold is recovering from last week's lows of 1,084 and is trading close to the 1,100 mark at the moment. This important psychological level and monthly S1 should manage to cap a rally in the short term. Our medium term expectation remains fairly bearish and main focus is on July low at 1,070. On the other hand, any gains above 1,100 will therefore intend to retake Nov 5 high at 1,111 next.

## Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment, being that 72% of SWFX traders are holding long positions, up one percentage point over the weekend.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	44%	42%	14%	18%

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

XAU/USD Daily Chart Current price: 1093.35



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1244		1244	
1233			1225
1150	1150	1148	1150
1106	1105		
1100			
1094			
1084		1083	
1073			
1062			1062

	Level	Rationale
■ Resistance 3	1,106	Weekly R2
■ Resistance 2	1,100	Monthly S1
■ Resistance 1	1,094	Weekly R1
■ Support 1	1,084	Weekly PP
■ Support 2	1,073/70	Weekly S1; Jul low
■ Support 3	1,062/59	Weekly and monthly S2

# 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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