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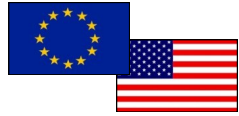
09/03/2016

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



Technical Analysis

EUR/USD resumes falling as ECB meeting begins



"It seems some investors are moving their positions ahead of the ECB meeting."

- Bank of Tokyo-Mitsubishi UFJ (based on MarketWatch)

Pair's Outlook

Daily technical indicators assume the EUR/USD currency pair will come under a heavy selling pressure on Wednesday when the ECB's two-day meeting starts. Yesterday the cross was denied by the 200-day SMA at 1.1043. The bears are setting eye on the demand cluster at 1.0974/58 where the 55-day SMA and weekly pivot point support each other. Failure here would allow for a loss down to 1.09 over the next 24 hours (100-day SMA and weekly S1), followed by the February low at 1.0809 in the long run.

Traders' Sentiment

Driven by bullish pending commands yesterday, the total number of long SWFX traders rose to 49% by Wednesday morning. As for pending orders themselves, today 51-54% of them are back set to go short on the common European currency against the Buck.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-2%	-4%	10%	2%
Orders (±50 pips)	-2%	14%	-10%	-5%
Orders (±100 pips)	-8%	6%	-8%	-8%

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

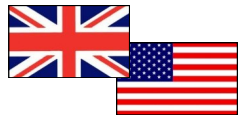
EUR/USD Daily Chart Current price: 1.0973



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1176			
1.1090			
1.1003			1.1
1.0975			
1.0911			
1.0872			
	1.08	1.08	
	1.05	1.05	1.05
	1.03		1.02
		1.01	

Level	Rationale
R3	1.1176 Weekly R2
R2	1.1090 Weekly R1
R1	1.1003/45 20-day SMA; monthly PP; 200-day SMA
S1	1.0975/58 55-day SMA; weekly PP
S2	1.0911 100-day SMA
S3	1.0872 Weekly S1

GBP/USD on the verge of falling back under 1.42



"We think a correction back to \$1.4050 is on the cards should the Brexit risk premium resurface over the coming days."
- ING (based on Reuters)

Pair's Outlook

As was anticipated, the Sterling weakened against the US Dollar on Tuesday, amid BoE Governor's remarks. Although volatility stretched beyond the immediate support, ultimately, trade closed above it at 1.4217. The outlook remains grim, as technical indicators retain their bearish signals. The Pound is poised for another decline, with the 20-day SMA failing to hold the losses this time. A drop below 1.41 major level is doubtful, as rather strong demand is located around 1.4125, represented by the weekly and the monthly PPs. However, fundamental data could still turn in favour of the Pound and, thus, push the Cable closer towards 1.43.

Traders' Sentiment

Bullish traders' sentiment returned to its Monday's level of 56%. Meanwhile, the number of purchase orders slid from 59 to 39%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	12%	14%	20%	15%
Orders (±50 pips)	-40%	24%	22%	6%
Orders (±100 pips)	-22%	18%	8%	0%

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

GBP/USD Daily Chart Current price: 1.4183



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.4518		1.56	1.56
1.4446	1.55		
1.4374			1.52
1.4188	1.51	1.51	
1.4141			
1.3962	1.49		
		1.48	
			1.47

Level	Rationale
R3	1.4518/73 Weekly R2; Bollinger band
R2	1.4446 Monthly R1
R1	1.4374/91 Weekly R1; 55-day SMA
S1	1.4188 20-day SMA
S2	1.4141/05 Monthly and weekly PPs
S3	1.3962 Weekly S1

Gold guided down by stronger Greenback



"While we do not believe the rally will be reversed, we suspect that...the market could use a period of consolidation."

- HSBC (based on Wall Street Journal)

Pair's Outlook

Ahead of the meeting of the European Central Bank the Dollar is broadly gaining ground across the board. This is putting downside pressure on gold for a second consecutive day on Wednesday. Despite that, we do not see any substantial losses and the price holds above the weekly pivot point of 1,251. A breakthrough here would neutralize our outlook on the bullion and we will see the February uptrend (1,233) back at risk of being penetrated. However, given positively-biased daily technical indicators and support lines at 1,228/23, a slide is unlikely to be long-lasting.

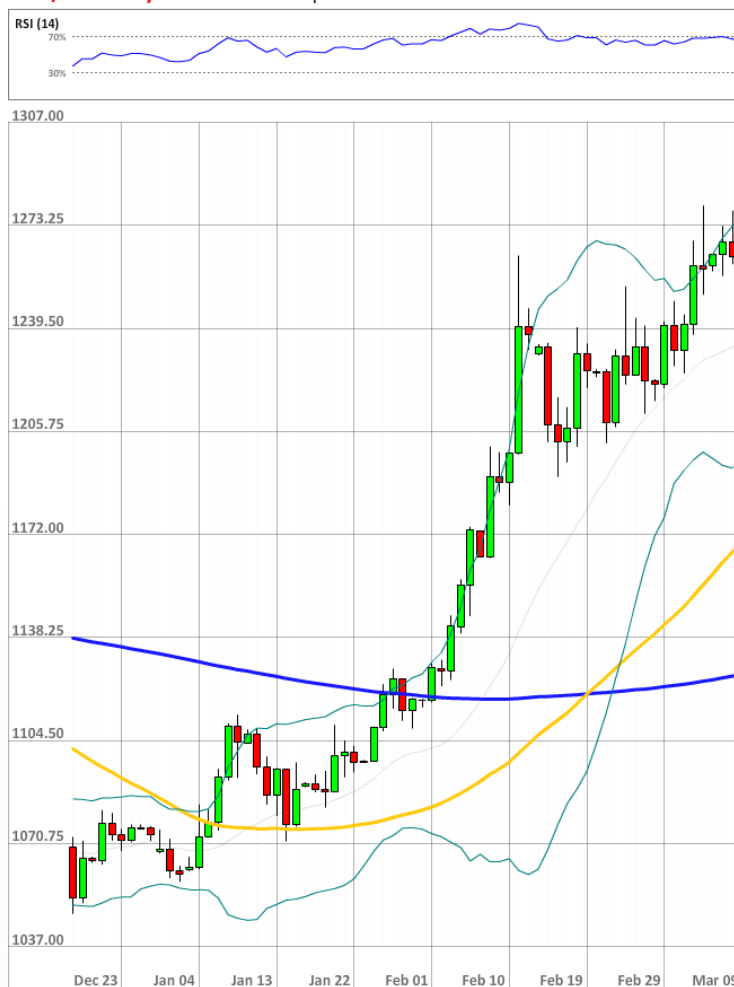
Traders' Sentiment

Market sentiment in the SWFX market is changing within the margin of error on a daily basis. Over the past 24 hours the bearish share rose to 59% from 57%, therefore regaining two percentage points it had lost one day before.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-18%	-14%	0%	-26%

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

XAU/USD Daily Chart Current price: 1255.79



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1307			
1287			
1268			
1251			1250
1233			
1205	1206	1200	
		1125	1125
	1100		
	1071		
		1048	
			1037

Level	Rationale
R3	1,307 2015 high
R2	1,287/95 Weekly/monthly R1s
R1	1,268 Bollinger band
S1	1,251 Weekly PP
S2	1,233/23 Uptrend; weekly S1; 20-day SMA
S3	1,205 Monthly PP

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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