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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD still bounded between 1.13 and 1.14



"Increasing the size of the program would probably put the most downward pressure on the euro of all the likely options."

- CMC Markets UK (based on WBP Online)

Pair's Outlook

Before the European Central Bank meets in Malta on Thursday, the EUR/USD cross decided to stay on hold during the previous 24 hours. The near term development is fully dependent on the ECB's decision today. In case more QE is signaled, we will expect the Euro to drop below 1.13, potentially targeting the demand area at 1.1240. Otherwise, more hawkish language may push EUR/USD upwards throughout the trading session, while bears are aiming at regaining the 1.14 mark back.

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 grew further from 55% to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-10%	-22%	-11%
Orders (±50 pips)	14%	18%	40%	18%
Orders (±100 pips)	12%	10%	24%	12%

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

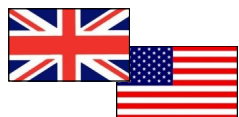
EUR/USD Daily Chart Current price: 1.1344



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.1552			
1.1449			
1.1392			
1.1312	1.13		
1.1246			1.12
1.1177		1.11	
	1.09		
		1.07	1.07
	1.06		
		1.05	
			1.03

	Level	Rationale
Resistance 3	1.1552	Weekly R2
Resistance 2	1.1449/72	Weekly R1; Bollinger band
Resistance 1	1.1392/95	Weekly PP; monthly R1
Support 1	1.1312/1.1289	20-day SMA; weekly S1
Support 2	1.1246/31	Weekly S2; monthly PP; 55-day SMA
Support 3	1.1177	100-day SMA

GBP/USD extends consolidation, to jump towards 1.55



"The big thing they'll [the BoE] be looking at is the pass-through of foreign exchange movements on tradeable goods prices after the unusually weak pass-through from the recent strengthening of sterling."

- Tony Yates, former BoE official (based on Bloomberg)

Pair's Outlook

The Cable gave up on its early gains on Wednesday, as the BoE Governor's speech caused investors to lose confidence in the Sterling. However, losses were limited by the 55-day SMA, which should also cause a rebound today. The GBP/USD is unlikely to break out of its consolidation range (between 55 and 100-day SMAs) today. Nevertheless, risks of piercing the immediate resistance persist, as strong fundamental data could provide a sufficient boost for that. Furthermore, technical studies retain their bullish signs, bolstering the possibility of a positive outcome.

Traders' Sentiment

Bulls keep growing stronger, as 56% of all positions are now long. The portion of buy orders, on the other hand, slid from 36 to 34%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	10%	16%	14%
Orders (±50 pips)	-50%	-44%	-4%	-16%
Orders (±100 pips)	-32%	-28%	4%	-12%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Sell	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)	Buy	Neutral	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell

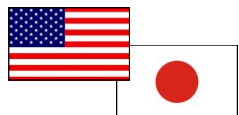
GBP/USD Daily Chart Current price: 1.5428



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5688		1.58	1.59
1.5548	1.56		
1.5488			
1.5408	1.54	1.54	1.54
1.5330			
1.5298			
	1.51	1.51	1.51

Level	Rationale
Resistance 3: 1.5688	Weekly R2
Resistance 2: 1.5548/68	Bollinger band; weekly R1; 38.20% Fib
Resistance 1: 1.5488/91	100-day SMA; monthly R1
Support 1: 1.5408/1.5380	55-day SMA; weekly PP
Support 2: 1.5330	200-day SMA
Support 3: 1.5298/90	Monthly PP; 20-day SMA

USD/JPY makes a U-turn after testing 120.00



"The most notable influence on markets recently has been the quarterly reporting in the U.S, which has shown a softening of outcomes relative to expectations."

- White Funds Management (based on Reuters)

Pair's Outlook

The US Dollar inched seven pips higher against the Yen, remaining within the borders of the immediate resistance cluster, namely between the 20-day SMA and the monthly PP. The pair is expected to bounce back from the 120.00 level today and weaken towards the weekly PP at 119.23. A breach of the immediate support is likely to cause a slump towards the 118.50 support line, which is bolstered by the monthly S1 in October. Technical studies also point to a possibility of this area being tested soon, as signs are distinctly bearish in the weekly timeframe.

Traders' Sentiment

Exactly three quarters (75%) of traders are now long the Greenback, whereas buy and sell orders returned to a perfect equilibrium today.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	50%	44%	48%	44%
Orders (±50 pips)	12%	-4%	-15%	4%
Orders (±100 pips)	0%	-4%	-2%	11%

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

USD/JPY Daily Chart Current price: 119.69



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
128			128
127			127
125	125	125	125
123	123		123
122		122	
121	121		
120.41			
119.93			
119.82			
119.23			
118.53			

	Level	Rationale
Resistance 3	121.27/43	Monthly R1; weekly R2
Resistance 2	120.41/93	Weekly R1; 55 and 200-day SMAs; Bollinger band
Resistance 1	119.93	Weekly PP
Support 1	119.82	20-day SMA
Support 2	119.23/118.98	Weekly PP; Bollinger band
Support 3	118.53/22	Monthly and weekly S1s

Gold closes below Aug high on stronger Dollar



"Our base case remains for higher U.S. real rates and lower gold prices, albeit with there being risks that the gold price weakness is pushed out further should the Fed surprise us and remain on hold in December."
- Goldman Sachs (based on CNBC)

Pair's Outlook

From the third attempt in three days the bullion has finally closed the daily trading below one of the most important supports, namely the Aug high at 1,170. The short term expectations are therefore shifting considerable to the downside right now as the sell-off may extend down to the 1,155 demand zone soon. There the price is going to meet both 20-day SMA and weekly S1. Additional support is offered by the monthly R1 at 1,147. Meanwhile, a yesterday's decline improved the aggregate signal from daily technical indicators, which changed from neutral to moderately bullish.

Traders' Sentiment

SWFX market sentiment with respect to the precious metal remained broadly unchanged for the past three weeks. Yesterday the bullish share was flat at 52%, and an advantage remains very negligible right now.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	4%	0%	3%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	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: 1165.00



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1194		1244	
1181			
1170			
1156	1150	1148	1150
1147			
1140			
1129.66			
1121.13			
11198.27			
11175.40			
11152.53			
11129.66			
11106.80	1105		
11083.93		1083	
11061.06			1062

	Level	Rationale
Resistance 3	1,194/99	Bollinger band; weekly R1
Resistance 2	1,181	Monthly R2
Resistance 1	1,170/74	Aug high; weekly PP; 200-day SMA
Support 1	1,156/55	Weekly S1; 20-day SMA
Support 2	1,147	Monthly R1
Support 3	1,140	100-day SMA

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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