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



# Technical Analysis

# EUR/USD depreciates after Fed hiked rates



*“The Fed created some balance between expectation for higher rates in 2016 with a dovish overtone regarding the ‘gradual’ pace. That’s why you’re not seeing a stronger rally on the greenback.”*  
- Silicon Valley Bank (based on Bloomberg)

## Pair's Outlook

EUR/USD registered a mild decline on Wednesday, just after the Fed announced a decision to raise the key interest rate. Thursday trading, however, proves to be much more active from the side of the Dollar's bulls. The pair is expected to test the weekly S1 and 20-day SMA at 1.0845, which is the first major support for today. Another demand is created by 1.0808, namely the July low. Success here should imply an additional sell-off down to the 1.0724 mark (monthly pivot point). Meantime, trading volume stays within historical norms, meaning market volatility is unlikely to be high.

## Traders' Sentiment

The bulls have gained only one percentage point from 45% to 46% since Wednesday. Bullish pending orders dipped considerably in the past 24 hours, down from 40% to 29%.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | -8%  | -10%      | -12%       | -10%        |
| Orders (±50 pips)  | -20% | -20%      | 20%        | -10%        |
| Orders (±100 pips) | -42% | -20%      | 10%        | -14%        |

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

EUR/USD Daily Chart Current price: 1.0850



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1.1008               |           |       |       |
| 1.0943               |           |       | 1.1   |
| 1.0891               |           |       |       |
| 1.0855               |           |       |       |
| 1.0808               | 1.08      | 1.08  |       |
| 1.0751               |           |       |       |
|                      | 1.05      | 1.05  | 1.05  |
|                      | 1.03      |       |       |
|                      |           |       | 1.02  |
|                      |           | 1.01  |       |

|              | Level     | Rationale             |
|--------------|-----------|-----------------------|
| Resistance 3 | 1.1008    | 50% Fib               |
| Resistance 2 | 1.0943/52 | 55-day SMA; weekly PP |
| Resistance 1 | 1.0891/93 | 38.2% Fib; monthly R1 |
| Support 1    | 1.0855/45 | 20-day SMA; weekly S1 |
| Support 2    | 1.0808    | July low              |
| Support 3    | 1.0751/24 | 23.6% Fib; monthly PP |

# GBP/USD keeps edging closer to wedge's support



*"The dollar's strength may persist for a while, as investors feel the mood right after the rate increase, but then may turn top-heavy."*

- Bank of Tokyo-Mitsubishi UFJ (based on Market Watch)

## Pair's Outlook

Due to the Fed delivering no surprises on Wednesday, the markets had a rather mild reaction to the news. Nonetheless, the Cable ended the day with a slump towards the 1.50 major level remains under the risk of falling for the fourth consecutive day today. The Bollinger band around 1.4942 is now the closest support, but a decline towards the down-trend at 1.4895 is also possible if the fundamental data turns in favour of the US Dollar. On the other hand, the GBP/USD could climb over the immediate resistance at 1.5038, but the bearish outcome is more probably.

## Traders' Sentiment

Bulls remain in the majority, as 63% of all positions are long, while the number of orders to sell the Sterling increased from 57 to 68%.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | 26%  | 18%       | -4%        | 11%         |
| Orders (±50 pips)  | -20% | 0%        | 8%         | 1%          |
| Orders (±100 pips) | -36% | -14%      | 0%         | 4%          |

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

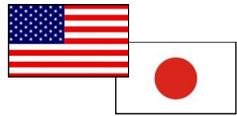
GBP/USD Daily Chart Current price: 1.4952



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1.5139               |           |       |       |
| 1.5090               | 1.51      | 1.51  |       |
| 1.5039               |           |       | 1.52  |
| 1.4942               | 1.49      |       |       |
| 1.4895               |           |       |       |
| 1.4817               |           | 1.48  |       |
| 1.4755               |           |       | 1.47  |
|                      |           | 1.56  | 1.56  |

| Level                | Rationale                         |
|----------------------|-----------------------------------|
| Resistance 3: 1.5139 | Weekly PP                         |
| Resistance 2: 1.5090 | 20-day SMA                        |
| Resistance 1: 1.5039 | Weekly S1                         |
| Support 1: 1.4942    | Bollinger band                    |
| Support 2: 1.4895/56 | Down-trend; monthly S1; weekly S2 |
| Support 3: 1.4755    | Weekly S3                         |

# USD/JPY awaits for fundamental data for guidance



*“Any dollar/yen appreciation won't come at once, it will rise a step at a time. The next lift will likely come in the next quarter, when the second hike comes up on the agenda.”*  
- FPG Securities (based on Reuters)

## Pair's Outlook

A group of SMAs helped the US Dollar extend its gains and retake the 122.00 major level, with volatility limited by the monthly PP and 20-day SMA circa 122.40. This group of levels keeps providing immediate resistance today, a breach of which is likely to lead to a surge up to 122.78, namely the weekly R1. Alternatively, the USD/JPY currency pair risks erasing yesterday's gains if the fundamentals cause the pair the retreat towards the strong cluster of supports around 121.65. Technical studies, however, retain mixed signals, suggesting the immediate resistance might remain intact.

## Traders' Sentiment

Market sentiment remains bearish at 51%, whereas the share of orders to sell the Greenback edged up 4% points up to 60%.

| Net Sentiment      | Last | 1 day ago | 5 days ago | 10-day avg. |
|--------------------|------|-----------|------------|-------------|
| Open Positions     | -2%  | -2%       | -38%       | -29%        |
| Orders (±50 pips)  | -20% | -28%      | 2%         | 3%          |
| Orders (±100 pips) | -20% | -12%      | -16%       | 3%          |

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

USD/JPY Daily Chart Current price: 122.47



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 123.82               |           |       | 128   |
| 122.78               | 127       | 127   |       |
| 122.36               |           |       | 125   |
| 121.68               | 125       | 125   | 125   |
| 121.02               |           | 123   |       |
| 120.25               | 122       |       | 122   |

|                | Level     | Rationale                           |
|----------------|-----------|-------------------------------------|
| ■ Resistance 3 | 123.82    | Nov high; Bollinger band            |
| ■ Resistance 2 | 122.78    | Weekly R1                           |
| ■ Resistance 1 | 122.36/42 | Monthly PP; 20-day SMA              |
| ■ Support 1    | 121.68/56 | Weekly PP; 55, 100 and 200-day SMAs |
| ■ Support 2    | 121.02/98 | Bollinger band; monthly S1          |
| ■ Support 3    | 120.25    | Nov low                             |

# Gold reverses post-Fed rally on Thursday



*"Gold has been extraordinarily sensitive to perceived changes in monetary policy for many months. The rate rise may finally clear the deck and remove rate-related uncertainty from the bullion market."*  
- HSBC (based on CNBC)

## Pair's Outlook

The Dollar plunged at the expense of gold prices on Wednesday, as the Fed Chair Janet Yellen confirmed the future pace of rate hikes will be gradual. XAU/USD closed above July low around 1,072. On Thursday, however, we are observing a downside correction, which is at risk of being prolonged further. The bears are looking at the lower Bollinger band (1,058) in the short-term, while in the long run depreciation towards the 1,044 mark is possible. On top of that, gold continues to be driven down by two resistances at 1,073/74, namely the 20-day SMA and weekly pivot point.

## Traders' Sentiment

A decision of the world's biggest central bank has been unable to move the SWFX market sentiment so far. At the moment the majority of traders are betting on the metal's rally (59%), while the bearish share is minor of just 41%.

| Net Sentiment  | Last | 1 day ago | 5 days ago | 10-day avg. |
|----------------|------|-----------|------------|-------------|
| Open Positions | 18%  | 18%       | 26%        | 24%         |

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

XAU/USD Daily Chart Current price: 1066.91



| SUPPORT & RESISTANCE | FORECASTS |       |       |
|----------------------|-----------|-------|-------|
|                      | Q1 16     | Q2 16 | Q3 16 |
| 1250                 |           |       | 1250  |
| 1206                 |           | 1200  |       |
| 1125                 |           |       | 1125  |
| 1100                 |           |       |       |
| 1086                 |           |       |       |
| 1073                 |           |       |       |
| 1071                 |           |       |       |
| 1062                 |           |       |       |
| 1050                 |           |       |       |
| 1048                 |           |       |       |
| 1044                 |           |       | 1037  |

| Level                  | Rationale                             |
|------------------------|---------------------------------------|
| Resistance 3: 1,086/88 | Monthly PP; weekly R1; Bollinger band |
| Resistance 2: 1,073/74 | Weekly PP; 20-day SMA                 |
| Resistance 1: 1,070    | July low                              |
| Support 1: 1,062/58    | Weekly S1; Bollinger band             |
| Support 2: 1,050       | Weekly S2                             |
| Support 3: 1,044       | 2010 low                              |

# 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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