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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

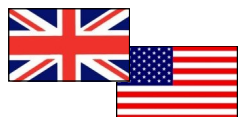
EUR/USD Daily Chart Current price: 1.0850



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

	Level	Rationale
Resistance 3	1.1008	50% Fibo
Resistance 2	1.0943/52	55-day SMA; weekly PP
Resistance 1	1.0891/93	38.2% Fibo; 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% Fibo; 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

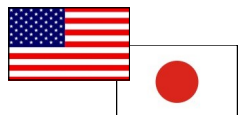
GBP/USD Daily Chart Current price: 1.4952



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5139			
1.5090	1.51	1.51	
1.5039			
1.4942	1.49		
1.4895			
1.4817		1.48	
1.4700			1.47
			1.52
			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
			128
	127	127	
	125	125	125
123.82			
122.78			
122.36			
	122		122
121.68			
121.02			
120.25			

	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
	1206	1200	
			1125
		1125	1125
	1100		
	1086		
	1073	1071	
	1070		
	1062		
	1050		
	1048		
			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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