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



Technical Analysis

EUR/USD faces formidable resistance under 1.10



"The ECB's quantitative easing is working, and it has made a positive influence on gross domestic product growth."
- Vitas Vasiliauskas, ECB Governing Council member (based on Bloomberg)

Pair's Outlook

Daily outlook for the most traded FX cross is sidelined for the moment. We see the most important resistance area between 1.0980 (100-day SMA, Dec-Jan downtrend) and 1.1050 (200-day SMA). While the pair keeps trading below this area, the mid-term forecast will tend to have an overall bearish bias. Key target for the bears is 1.08, which consists of several heavy support lines including 55-day SMA, monthly pivot point and Dec-Jan uptrend. A failure below there could trigger some purchasing activity, but inside the current triangle pattern expectations are still neutral.

Traders' Sentiment

SWFX bears remain in the majority of 55%, while pending orders are also bearish in both 50 and 100-pip ranges from the spot price in 56% and 54% of all cases, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-12%	-8%	-11%
Orders (±50 pips)	-12%	-12%	4%	-8%
Orders (±100 pips)	-8%	-8%	6%	-5%

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

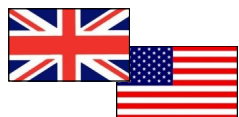
EUR/USD Daily Chart Current price: 1.0897



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1081			
1.1051			
1.0973			1.1
1.0901			
1.0822	1.08	1.08	
1.0776			
	1.05	1.05	1.05
	1.03		1.02
		1.01	

Level	Rationale
Resistance 3: 1.1081/1.1103	Weekly R2; monthly R1
Resistance 2: 1.1051	200-day SMA
Resistance 1: 1.0973/98	Trend-line; Bollinger band; weekly R1; 100-day SMA
Support 1: 1.0901/1.0884	Weekly PP; 20-day SMA
Support 2: 1.0822/12	55-day SMA; weekly S1; monthly PP
Support 3: 1.0776	Bollinger band

GBP/USD keeps hovering over 1.4150



"While we expect the fed funds rate will be held steady in January, we continue to look for 100 basis points of rate hikes this year."

- RBC (based on PoundSterlingLive)

Pair's Outlook

The Sterling mostly ignored positive labour market data on Wednesday, appreciating only 32 pips against the US Dollar. However, the GBP/USD currency pair remains subject to weakness and is likely to experience another decline today. The weekly S1 remains the closest support, which succeeded in preventing the Cable from dropping lower, so far. A stronger cluster rests around 1.4035, but a fall that low today is doubtful. Meanwhile, technical studies retain mixed signals, suggesting Pound could retake the 1.42 level, especially if the US fundamental data disappoints today.

Traders' Sentiment

Bulls remain strong, with 62% of all open positions being long. The number sell orders is unchanged, taking up 68% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	24%	28%	26%	27%
Orders (±50 pips)	-34%	-38%	2%	-8%
Orders (±100 pips)	-36%	-36%	-14%	-16%

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

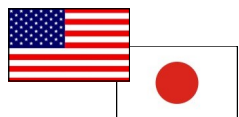
GBP/USD Daily Chart Current price: 1.4187



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.55		1.56	1.56
1.51		1.51	1.52
1.49			1.47
1.4558			
1.4494			
1.4373			
1.4124			
1.4053			
1.3709			

	Level	Rationale
■ Resistance 3	1.4558/67	Monthly S1; 20-day SMA
■ Resistance 2	1.4494	Weekly R1
■ Resistance 1	1.4373/90	Weekly PP; monthly S2; down-trend
■ Support 1	1.4124	Weekly S1
■ Support 2	1.4053/21	Bollinger band; monthly S3; weekly S2
■ Support 3	1.3709	Weekly S3

USD/JPY to continue sliding to 2015 low



“The yen has shown maximum sensitivity to risk sentiment in the recent weeks. The upside for the yen, though, is likely to be capped before the Bank of Japan meeting next week, given they too are struggling with weakening inflation prospects.”

- Credit Agricole (based on Business Recorder)

Pair's Outlook

On Wednesday the US currency edged closer to the 2015 low, but managed to recover from the daily low and stabilise just under the 117.00 level. The risk-off sentiment appears to be present today as well, meaning the USD/JPY is poised for more weakness. As a result, the Buck could drop towards the weekly S1—the first level of the immediate support cluster. At the same time, the weekly PP and the monthly S2 form a resistance circa 117.50, which was tested earlier today and triggered a sell-off, suggesting a break is unlikely. Meanwhile, technical studies imply the pair is to suffer another loss.

Traders' Sentiment

Bearish market sentiment remains unchanged at 70%, while the number of sell orders lost 2% points down to 66%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-40%	-40%	-22%	-27%
Orders (±50 pips)	24%	-62%	-10%	-13%
Orders (±100 pips)	-32%	-36%	-4%	-12%

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

USD/JPY Daily Chart Current price: 116.82



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
118.53			128
118.06	127	127	
117.28	125	125	125
116.19		123	
115.41	122		122
114.31			

	Level	Rationale
■ Resistance 3	118.53	20-day SMA
■ Resistance 2	118.06	Weekly R1
■ Resistance 1	117.28/63	Weekly PP; monthly S2
■ Support 1	116.19/115.85	Weekly S1; 2015 low; Bollinger band
■ Support 2	115.41/26	Weekly S2; monthly S3
■ Support 3	114.31	Weekly S3

Gold is pressured by the 1,110 supply zone



"We definitely have some diversifying going on out of stocks and into fear trades, which is gold today."

- Optionsellers.com (based on Bloomberg)

Pair's Outlook

A one-day outlook for gold has a slight bearish bias, even though overall trading is likely to be range bound between 1,104 and 1,086. The bulls are expected to experience some difficulties near 1,110 where we see a formidable resistance being formed by Jan 8-20 downtrend line, monthly R2 and 100-day SMA. A success here will expose the 1,127/32 area (monthly R3; 200-day SMA), which itself may provoke a bounce back in the medium-term. In the meantime, the bears will continue focusing on 55-day SMA at 1,076, which guards Dec-Jan uptrend as the main target line.

Traders' Sentiment

Yesterday we observed another setback among the bulls, being that their portion decreased from 56% to 55% in the SWFX market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	12%	10%	10%

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

XAU/USD Daily Chart Current price: 1102.10



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			1250
1206		1200	
1126		1125	1125
1115			
1104			
1100			
1098			
1089			
1076			
1071			
1048			
1037			

	Level	Rationale
■ Resistance 3	1,126/32	Weekly R2; monthly R3; 200-day SMA
■ Resistance 2	1,115	Bollinger band
■ Resistance 1	1,104/07	Oct 2015 low; 100-day SMA; weekly R1; monthly R2
■ Support 1	1,098	Sep 2015 low
■ Support 2	1,089/84	Weekly PP; 20-day SMA; monthly R1
■ Support 3	1,076	55-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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