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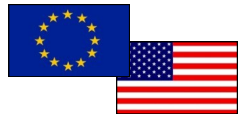
06/05/2016

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



Technical Analysis

EUR/USD to approach weekly/monthly PPs



"The monetary policy divergence theme, although dying slowly, isn't quite dead yet."
- FXPRIMUS Europe (based on Bloomberg)

Pair's Outlook

EUR/USD posted a considerable 80-pip decrease in value on May 6, but no major technical levels were breached. This is because the closest demand is placed as low as 1.1376, namely the weekly/monthly pivot points and 20-day SMA. However, if bearish pressure persists throughout Friday, then the pair is likely to try and tackle this area. Success here would expose the second support for today, the weekly and monthly S1s at 1.1288. On the other hand, daily technical indicators are pointing to the upside, but we are not expecting a climb as high as the closest resistance at 1.1538 (weekly/monthly R1s).

Traders' Sentiment

At the moment 46% of SWFX market participants are expecting that the pair will rebound, up from only 41% yesterday. Alongside, pending orders remain little changed and mainly neutral.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-8%	-18%	-20%	-17%
Orders (±50 pips)	-6%	0%	0%	-2%
Orders (±100 pips)	2%	-6%	10%	-1%

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

EUR/USD Daily Chart Current price 1.1408



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.1713			
1.1619			
1.1533			
1.1376			
1.1288			
1.1228			
	1.12	1.12	1.12
	1.1		
		1.08	1.09
	1.07		
		1.06	
			1.05

Level	Rationale
R3	1.1713 August 2015 high
R2	1.1619/26 Weekly and monthly R2s
R1	1.1533/43 Bollinger band; Weekly and monthly R1s
S1	1.1376/71 Weekly and monthly PPs; 20-day SMA
S2	1.1288 Weekly and monthly S1s
S3	1.1228 55-day SMA

GBP/USD risks stabilising under 1.45



"We tend to think that sterling looks too strong given the risks ahead of the Brexit referendum. Sterling/dollar should struggle to break \$1.4570/80."
- ING (based on Business Recorder)

Pair's Outlook

The Sterling weakened against the US Dollar for the third consecutive time yesterday, but with the pair losing only 13 pips. During the previous slumps the Cable was edging lower less and less, suggesting that a possible trend reversal is at hand. Technical indicators are now giving distinctly bullish signals in the short-term, bolstering the possibility of the positive outcome. Consequently, the Sterling could even climb over the immediate resistance, namely the weekly PP, which is located at 1.4563. Despite the bullish outlook, a positive surprise in the US NFP data today could also cause the pair to plunge under the 1.44 psychological level.

Traders' Sentiment

Bulls keep growing stronger, as 61% of traders are now long the Pound. At the same time, the share of purchase orders surged from 48 to 53%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	22%	16%	-8%	4%
Orders (±50 pips)	-2%	-8%	-22%	-5%
Orders (±100 pips)	6%	-4%	-30%	-6%

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

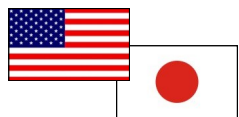
GBP/USD Daily Chart Current price 1.4475



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1.4830			1.51
1.4721		1.49	
1.4563	1.46	1.45	1.47
1.4455			1.44
1.4382	1.43		
1.4295		1.42	
	1.4		

Level	Rationale
R3	1.4830/55 Weekly R2; monthly R1; 200-day SMA
R2	1.4721/22 Weekly R1; Bollinger band
R1	1.4563 Weekly PP
S1	1.4455/17 Weekly S1; monthly PP; 20-day SMA
S2	1.4382 100-day SMA
S3	1.4295/73 Weekly S2; 55-day SMA

USD/JPY muted ahead of NFP figures



“Ever since the start of Abenomics, Japanese investors have accumulated a large position in foreign assets but in large part haven’t been currency-hedged because Abenomics was expected to weaken the yen.”
- BNP Paribas (based on WBP Online)

Pair’s Outlook

The USD/JPY currency pair not only remained relatively unchanged for the fourth day in a row yesterday, but also prolonged this week’s rally. The current bullish trend appears to be fading, largely depending on today’s NFP results. A positive reading is likely to cause the Greenback to put the immediate resistance, represented by the 20-day SMA, the weekly and the monthly PPs, to the test. On the other hand, disappointing data could trigger a sell-off, sufficient to reach the 20-month low at 105.20. According to technical indicators, the bearish scenario is to prevail, but the 106.00 mark should also be considered as a possible support area, as it kept the pair elevated this week.

Traders’ Sentiment

Bullish market sentiment remains unchanged, taking up 71% of the market, while the number of buy orders slid from 58 to 49%.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	42%	42%	48%	44%
Orders (±50 pips)	12%	20%	-44%	12%
Orders (±100 pips)	-2%	16%	-14%	10%

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

USD/JPY Daily Chart Current price 107.15



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
124			
121			
120			
119			
116			
115			
113			
112			
111.07			
110.04			
108.15			
105.42			
104.43			
102.55			

Level	Rationale
R3	111.07 55-day SMA
R2	110.04/50 Weekly and monthly R1s
R1	108.15/78 Weekly and monthly PPs; 20-day SMA
S1	105.42/20 Bollinger band; 20-month low
S2	104.43/104.20 Weekly and monthly S1s
S3	102.55/102.08 Weekly and monthly S2s

Gold: second attempt to cross weekly PP fails



"If the jobs data is bad, gold will go up... But there is one more set of jobs data before the next Fed meeting in June."
- Argonaut Securities (based on CNBC)

Pair's Outlook

For a second day in a row on Thursday the yellow metal was unable to overcome the closest support line represented by the weekly pivot point at 1,272.92. This is going to raise doubts about the actual strength of the bearish camp. Along with positive daily and weekly technical signals, we are looking for a minor rebound on the last day of this working week, also because the weekly PP is immediately backed by the monthly pivot, which is unlikely to let the bears succeed. The 2015 high at 1,307.06 seems out of reach for the moment, and firstly gold should attack the yesterday's peak at 1,286.42.

Traders' Sentiment

Only three percentage points were recovered by the bullish side yesterday, when they picked up from the lowest level in more than nine weeks to reach the 32% mark, a change from 29% about 24 hours ago.

Sentiment	Today	Yesterday	5 days ago	10-day avg.
Open Positions	-36%	-42%	-28%	-26%

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

XAU/USD Daily Chart Current price 1278.02



SUPPORT & RESISTANCE	FORECASTS		
	Q2 16	Q3 16	Q4 16
1315			
1307			
1301			
1272			
1265			
1260			
1248			1250
1232			
1225			1200
1175			
1160			
1125			
1113			
1100			

Level	Rationale
R3	1,315 Weekly R1
R2	1,307 2015 high
R1	1,301 Bollinger band
S1	1,272 Weekly PP
S2	1,265 Monthly PP
S3	1,260 20-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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