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RESEARCH PRODUCTS

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



Technical Analysis

EUR/USD still unable to violate 1.1260



"The failure of the economy to pick up speed over the summer will be a disappointment to the ECB, especially with job creation sliding to an eight-month low."

- Markit (based on Bloomberg)

Pair's Outlook

There have been four attempts to breach the 1.1260 mark (50% retracement) since Sep 24. However, all of them turned to be unsuccessful so far. Despite this fact, a decline of the Euro is also unlikely due to a dense cluster of nearby supports at 1.1160/22. Meanwhile, 55-day SMA has finally crossed the 200-day SMA, which implies a major swing in sentiment among market participants to the positive side. However, unless 1.1260 or 1.1122 levels are penetrated, the neutral outlook will remain largely intact with respect to EUR/USD.

Traders' Sentiment

Distribution between bulls and bears is neutral on Tuesday morning. Alongside, the portion of long pending orders in 100-pip range from the spot increased from 43% to 50% in the past 24 hours.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	0%	0%	6%	4%
Orders (±50 pips)	2%	-6%	-2%	-8%
Orders (±100 pips)	0%	-14%	-8%	-13%

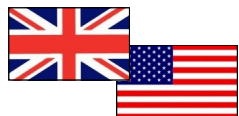
Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Neutral	Neutral
ADX (14)	Neutral	Neutral	Sell
CCI (14)	Neutral	Neutral	Neutral
AROON (14)	Sell	Buy	Sell
Alligator (13; 8; 5)	Sell	Neutral	Sell
SAR (0.02; 0.2)	Sell	Buy	Sell

EUR/USD Daily Chart Current price: 1.1179



	Level	Rationale
■ Resistance 3	1.1355/68	Bollinger band; 38.2% Fib
■ Resistance 2	1.1305	Weekly R1
■ Resistance 1	1.1217/61	Weekly and monthly PP; 50% Fib; 20-day SMA
■ Support 1	1.1162/54	200 and 55-day SMAs; 61.8% Fib
■ Support 2	1.1139/22	100-day SMA; weekly S1
■ Support 3	1.1079	Bollinger band

GBP/USD anchored around 1.5150



"As Fed rate-hike expectations are pushed back, stocks and commodities saw a big rebound and eased risk aversion."
- Sumitomo Mitsui Banking Corp (based on Business Recorder)

Pair's Outlook

Although the Sterling tested the immediate resistance in face of the weekly R1, the worse-than-expected UK Services PMI reading pushed the GBP/USD back under the 23.60% Fib. The Cable once again has the Fibonacci retracement on its path, which not only kept the pair from appreciating during the previous week, but is now also bolstered by the weekly PP. Immediate support, on the other hand, rests at 1.5111, namely the weekly S1; this area could prevent the Pound from falling deeper against the stronger on risk appetite US Dollar.

Traders' Sentiment

The share of bulls returned to the last Monday's level of 60% (down from 64%). The number of buy orders also declined, from 65 to 48%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	20%	28%	24%	21%
Orders (±50 pips)	-4%	40%	-26%	2%
Orders (±100 pips)	-4%	30%	2%	7%

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

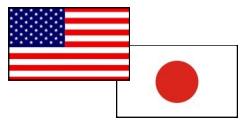
GBP/USD Daily Chart Current price: 1.5160



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.58			
1.57			
1.56			
1.55			
1.54			
1.54			
1.52			
1.51			
1.51			
1.5297			
1.5245			
1.5176			
1.5111			
1.5042			
1.5009			

Level	Rationale
Resistance 3: 1.5297/1.5320	Monthly PP; weekly R2; 20 and 200-day SMA
Resistance 2: 1.5245	Weekly R1
Resistance 1: 1.5176/85	23.60% Fib; weekly PP
Support 1: 1.5111	Weekly S1
Support 2: 1.5042	Weekly S2
Support 3: 1.5009/1.4977	Bollinger band; weekly S3

USD/JPY retests 120.63 fifth week in a row



“On the other hand, we expect September international securities flow data to show continued support for the USD/JPY from buying on weakness mainly by pension funds. The point on the pension flows is how the momentum of their buying will sustain in the coming months.”
- Deutsche Bank (based on FXStreet)

Pair's Outlook

Despite trading limbo through most of the day, the US Dollar managed to climb almost 50 pips against the Japanese Yen on Monday. The Greenback should strengthen for the second day, but a potential resistance level, which kept the given pair from edging higher for almost five weeks now, lies on the way around 120.63. Furthermore, the resistance cluster around 120.80 could also play its part and even force the Buck to retreat to the 120.00 major level, also reinforced by the monthly PP.

Traders' Sentiment

Although not as strong as yesterday, but market sentiment remains bullish at 70% (previously 74%). Meanwhile, the portion of commands to acquire the Buck dropped from 60 to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	40%	48%	22%	31%
Orders (±50 pips)	4%	-6%	24%	7%
Orders (±100 pips)	16%	20%	14%	10%

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

USD/JPY Daily Chart Current price: 120.47



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
129			129
128			127
126			
125	125	125	125
124		124	
123			
121.62			
121.27			
120.74			
120.23			
119.93			
118.83			

	Level	Rationale
■ Resistance 3	121.62/75	Weekly R2; 55-day SMA
■ Resistance 2	121.27	Monthly R1
■ Resistance 1	120.74/87	Weekly R1; Bollinger band; 200-day SMA
■ Support 1	120.23	20-day SMA
■ Support 2	119.93/65	Monthly and weekly PPs; Bollinger band
■ Support 3	118.83	Weekly S1

Gold consolidates above 50% Fibo at 1,134



"This week we think that some form of profit taking may occur after Friday's heady gains post-U.S. nonfarm payrolls."
- Phillip Futures (based on CNBC)

Pair's Outlook

Following massive price changes on Friday, the yellow metal was broadly unchanged in the beginning of a new working week. Gold has therefore secured the positive future outlook, by stabilizing above the 50% Fibonacci retracement of the Aug-Sep downtrend. While this level is reinforced by the 2014 low and weekly PP at 1,131/30, this fact increases the probability of XAU/USD's bullish scenario even more. The nearest resistance to meet is the 61.8% retracement and 100-day SMA at 1,142/43, followed by the monthly R1 at 1,147. Meanwhile, daily indicators are also pointing to the upside at the moment.

Traders' Sentiment

After considerable gains at the end of the previous trading week, the number of long open positions has recently resumed declining. During the past 24 hours their share dipped from 53% to 52%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	4%	6%	-2%	4%

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

XAU/USD Daily Chart Current price: 1136.68



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1155		1255	1250
1147			
1142			
1134			
1128			
1118			
1109	1158	1173	1197
		1091	1111

	Level	Rationale
■ Resistance 3	1155/56	Bollinger band; weekly R1; Sep high
■ Resistance 2	1147	Monthly R1
■ Resistance 1	1142/43	61.8% Fibo; 100-day SMA
■ Support 1	1134/30	50% Fibo; 2014 low; weekly PP
■ Support 2	1128/23	20-day SMA; 38.2% Fibo; monthly PP
■ Support 3	1118/12	55-day SMA; 23.6% Fibo; weekly S1

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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