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



Technical Analysis

EUR/USD to target 1.04 in anticipation of ECB



“Euro short positions have built up to the point where there is little room left to sell into, unless the ECB comes out with action far exceeding market expectations.”

- Sumitomo Mitsui Bank Ltd (based on Bloomberg)

Pair's Outlook

On Wednesday EUR/USD created a long lower shadow candlestick, meaning the bears failed to preserve their advantage by day-end. Today, however, the state of affairs is estimated to change, as we have finally approached the ECB day. More than anticipated bearish surprise should push the Euro below both April and March lows at 1.0519/1.0461. By piercing through these levels, the cross will expose the monthly S1 around 1.04, which is guarded by the weekly S3. By looking at these supports, an extra drop towards 2003 low (1.0331) seems less likely.

Traders' Sentiment

The bullish portion of SWFX open positions accounts for 48% on Thursday, up from 45% yesterday. Meanwhile, 100-pip pending orders from the spot price are completely neutral today.

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

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Buy	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

EUR/USD Daily Chart Current price: 1.0589



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.13			1.12
1.11			
1.09			
1.0724		1.07	1.07
1.0665			
1.0615	1.06		
1.0561		1.05	
1.0492			
1.0419			
			1.03

	Level	Rationale
Resistance 3	1.0724/39	20-day SMA; monthly PP; weekly R2
Resistance 2	1.0665/98	Weekly R1; 20-day SMA
Resistance 1	1.0615	Weekly PP
Support 1	1.0561/19	Weekly S1; Bollinger band; Apr low
Support 2	1.0492/61	Weekly S2; Mar low
Support 3	1.0419/1.0397	Weekly S3; monthly S1

GBP/USD heals wounds after Wednesday's slump



"Overall, Yellen gave a fairly positive assessment of the economy that would be consistent with the Fed raising rates at their December meeting."

- BNP Paribas (based on Reuters)

Pair's Outlook

The fundamental data yesterday was in favour of the US Dollar yesterday, forcing the Cable to touch the 1.49 level. Even though trade closed above the intraday low, the target support was still breached. Today the Bollinger band and the weekly S1 are keeping the GBP/USD afloat, while the monthly S1 should hold heavier losses in case the immediate cluster fails. Technical studies shifted from bearish to mixed signals in the daily timeframe, indicating a possible rebound. The weekly S1 is the closest resistance, but the Pound has the potential to retake the 1.50 major level.

Traders' Sentiment

Bulls and bears broke out of the equilibrium, with 56% of positions now long. The share of sell orders increased again, from 56 to 66%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	0%	6%	2%
Orders (±50 pips)	-16%	-34%	4%	-17%
Orders (±100 pips)	-32%	-12%	-16%	-18%

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

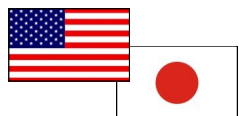
GBP/USD Daily Chart Current price: 1.4922



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1.5900			1.59
1.5764		1.58	
1.5629	1.56		
1.5493	1.54	1.54	1.54
1.5357			
1.5221			
1.5086	1.51	1.51	1.51
1.4950			
1.4814			

	Level	Rationale
Resistance 3	1.5131/46	20-day SMA; weekly R1
Resistance 2	1.5088	Weekly PP
Resistance 1	1.4980	Weekly PP
Support 1	1.4939/22	Bollinger band; weekly S2
Support 2	1.4868	Monthly S1
Support 3	1.4814	Weekly S3

USD/JPY keeps struggling to preserve up-trend



"The ADP data confirm that the labor market data in the U.S. is healthy and robust. That puts a December rate hike on track."

- BK Asset Management (based on CNBC)

Pair's Outlook

The US ADP Employment Change data provided the Greenback with a sufficient boost to reclaim the area above the up-trend yesterday. Today the USD/JPY remains supported by the trend-line, now also reinforced by the weekly R1, but the tide might still turn in wake of no bullish impetus from the fundamentals. The closest cluster to limit the possible rally is formed by the Bollinger band and the weekly R2 around 123.70, whereas a breach of the up-trend could cause the exchange rate to edge closer to the weekly PP at 122.74.

Traders' Sentiment

Bearish market sentiment remains unchanged, with bears taking up 71% of the market. At the same time, the number of orders to purchase the Buck slightly declined, falling 4% points to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-42%	-42%	-48%	-45%
Orders (±50 pips)	48%	28%	18%	17%
Orders (±100 pips)	36%	44%	12%	20%

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

USD/JPY Daily Chart Current price: 123.44



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
125.86			128
124.22		127	
123.59		125	125
123.25	123		123
122.96		122	
122.36	121		

	Level	Rationale
■ Resistance 3	125.86/87	Monthly R2; Jun high
■ Resistance 2	124.22/47	Weekly R3; monthly R1
■ Resistance 1	123.59/74	Bollinger band; weekly R2
■ Support 1	123.25/22	Up-trend; weekly R1
■ Support 2	122.96/74	20-day SMA; weekly PP
■ Support 3	122.36/22	Monthly PP; Bollinger band; weekly S1

Gold confirms Nov 27 low; outlook deteriorates



"Gold is likely to remain fragile and vulnerable to the downside as investor sentiment is clearly negative."
- HSBC (based on CNBC)

Pair's Outlook

On Wednesday, the bullion copied the candlestick of Friday when it slumped by around one percentage point to reach the 1,057 mark. Yesterday it went further to penetrate the Nov 27 low at 1,052, while on Thursday this price has already managed to reach the weekly S1 at 1,046. Our expectations for the yellow metal are strongly negative for the medium term, but monetary policy easing from the ECB may support gold as the safe-haven metal. However, the US Dollar's bullishness will continue to weigh on prices and the bears are now aiming at the 2010 low at 1,044.

Traders' Sentiment

Market sentiment with respect to gold remains strongly positive for the moment. On Thursday around 71% of SWFX traders are holding long positions.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	42%	48%	44%	44%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Buy	Neutral
ADX (14)	Sell	Neutral	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

XAU/USD Daily Chart Current price: 1053.50



SUPPORT & RESISTANCE	FORECASTS		
	Q4 15	Q1 16	Q2 16
1233	1244		
1150	1148	1225	
1105			
1083			
1070			1062
1063			
1055			
1046			
1035			
1018			

	Level	Rationale
■ Resistance 3	1,070	Jul low
■ Resistance 2	1,063	Weekly PP
■ Resistance 1	1,055	Bollinger band
■ Support 1	1,046/44	Weekly S1; 2010 low
■ Support 2	1,035/30	Weekly S2; 2008 high; monthly S1
■ Support 3	1,018	Weekly S3

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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