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



Technical Analysis

EUR/USD to move in the direction of 1.10



“EUR/USD has tended to rally on ‘risk-off’ days and slip on risk-on ones as the Treasury/Bund spread drives the currency and the fall in Treasury yields has supported the euro in recent weeks.”

- Societe Generale (based on PoundSterlingLive)

Pair's Outlook

All bearish attempts to send the most traded FX cross down failed on Tuesday. The bulls have eventually overtaken leadership and are pushing EUR/USD much higher in the Asian session on Wednesday. Risk-off sentiment is the main driver for growth, but positive US CPI later in the day may derail this rebound. Still, the bulls are aiming at 100-day SMA near 1.10, which is reinforced by upper Bollinger band and weekly R1. Another important supply is in turn offered by 200-day SMA at 1.1051. At the same time, to worsen expectations the bears have to consolidate EUR/USD below weekly PP/20-day SMA at 1.09/1.0888.

Traders' Sentiment

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

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-12%	-12%	-10%	-11%
Orders (±50 pips)	-12%	0%	2%	-10%
Orders (±100 pips)	-8%	-12%	-8%	-7%

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

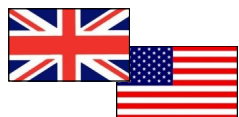
EUR/USD Daily Chart Current price: 1.0957



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1081			
1.1051			
1.0990			1.1
1.0901			
1.0823	1.08	1.08	
1.0771			
	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	1.0990/1.10	Bollinger band; weekly R1; 100-day SMA
■ Support 1	1.0901/1.0887	Weekly PP; 20-day SMA
■ Support 2	1.0823/12	55-day SMA; weekly S1; monthly PP
■ Support 3	1.0771	Bollinger band

GBP/USD: bearish trend intact



"I doubt if we are done yet for the pound selloff. I sense there's a good chance for more downside."
- Neil Jones, Mizuho Bank Ltd. (based on Bloomberg)

Pair's Outlook

The Cable erased all daily gains on Tuesday, plunging towards the cluster around 1.4150, as the BoE Governor's remarks ruled out the possibility of an early interest rate hike. Today, however, we should see the Sterling rebound and retake the 1.42 level. A strong resistance cluster is located around the 1.44 level, also bolstered by the down-trend, but a surge that high is doubtful. At the same time, the weekly S1 is providing immediate support, whereas the monthly S3 is the level to prevent the pair from falling deeper; a breach of which could ultimately lead to 1.3505—the 2009 low.

Traders' Sentiment

Today 64% of traders are long the British Pound, compared to 63% yesterday. The portion of sell orders inched up from 63 to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	28%	26%	24%	27%
Orders (±50 pips)	-38%	-10%	8%	-2%
Orders (±100 pips)	-36%	-26%	-14%	-11%

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

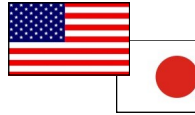
GBP/USD Daily Chart Current price: 1.4152



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.56	1.56	1.56	
1.55		1.52	
1.51	1.51		
1.49		1.47	
1.48			
1.47			
1.4567			
1.4494			
1.4373			
1.4124			
1.4090			
1.3709			

Level	Rationale
Resistance 3 (1.4567/90)	Monthly S1; 20-day SMA
Resistance 2 (1.4494)	Weekly R1
Resistance 1 (1.4373/1.4410)	Weekly PP; monthly S2; down-trend
Support 1 (1.4124)	Weekly S1
Support 2 (1.4090/21)	Bollinger band; monthly S3; weekly S2
Support 3 (1.3709)	Weekly S3

USD/JPY slumps on risk aversion



"The performance of equities, particularly Wall Street, dictates the direction of dollar/yen. Equities have developed a relatively strong correlation with crude, and if the fall by the commodity should continue, we could see dollar/yen slip below 116.00 soon."

- IG Securities (based on CNBC)

Pair's Outlook

Even though the USD/JPY's volatility stretched out to the second resistance, the pair still ended its rally in front of the closest one, namely the monthly S2. The risk-off sentiment eventually kicked in today, causing the Buck to lose ground and drop to the lowest level this week, at the moment of writing. Technical studies support the possibility of the negative outcome, but improvements in US fundamentals could help the Greenback recover from intraday lows and limit the losses near the weekly PP. Contrariwise, weak data is to contribute to the sell-off, leading the pair closer to the 2015 low.

Traders' Sentiment

Bearish sentiment prevails, with 70% of all positions being short. Meanwhile, the share of sell orders added 14% points up to 68%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-40%	-38%	-18%	-24%
Orders (±50 pips)	-62%	-30%	-48%	-16%
Orders (±100 pips)	-36%	-8%	-26%	-9%

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: 116.83



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

118.73
118.06
117.63
117.28
116.19
115.41

	Level	Rationale
■ Resistance 3	118.73/119.15	Monthly S1; 20-day SMA; weekly R2
■ Resistance 2	118.06	Weekly R1
■ Resistance 1	117.63	Monthly S2
■ Support 1	117.28	Weekly PP
■ Support 2	116.19/115.85	Weekly S1; Bollinger band; 2015 low
■ Support 3	115.41/26	Weekly S2; monthly S3

Gold continues to fluctuate around weekly PP



"With three full weeks until the Chinese New Year, a key buying time for precious metal jewellery and investment products, demand ought to continue to be strong."

- Mitsubishi (based on Bullion Vault)

Pair's Outlook

One more trading session was spent without any bullish or bearish lead. The bullion hovered in a quite wide range, but ended the US session just below the weekly pivot point at 1,086. Next three days will be driven by important fundamentals from US and other regions. In particular, US CPI data should drive gold on Wednesday. A positive surprise is likely to trigger losses for the yellow metal down to monthly R1/20-day SMA at 1,084. In the meantime, bullish traders are feeling confident in targeting the last year's September low at 1,098, which guards a major psychological level of 1,100.

Traders' Sentiment

Yesterday more SWFX traders took the long stance with respect to the metal, by pushing the bullish portion up by one percentage point from 55% to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	10%	8%	10%

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)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

XAU/USD Daily Chart Current price: 1092.48



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			
1206		1200	
1126		1125	1125
1107			
1098	1100		
1089			
1084			
1076	1071		
		1048	
			1037

	Level	Rationale
■ Resistance 3	1,126/27	Weekly R2; monthly R3
■ Resistance 2	1,107/11	Weekly R1; monthly R2; Bollinger band
■ Resistance 1	1,098/1,105	Sep 2015 and Oct 2015 lows; 100-day SMA
■ Support 1	1,089	Weekly PP
■ Support 2	1,084	Monthly R1; 20-day SMA
■ 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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