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RESEARCH PRODUCTS

09/10/2015

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



Technical Analysis

EUR/USD set to probe 1.13 again



"Receding expectations for a Fed rate hike are making the dollar vulnerable. Both the yen and the dollar are pressured."
- Shinkin Asset Management (based on Bloomberg)

Pair's Outlook

The common currency was actively fuelled by support zone at 1.1241/20 on Thursday. It managed to bounce off the monthly pivot point, but gains used to be contained by the 50% Fibonacci retracement of the Jan-Mar 2015 downtrend at 1.1280. Still, an attempt to surge as high as 1.1328 was made, and we expect the bullishness to continue in the nearest future. Resistances to violate include the weekly R1 at 1.1304, and success here can send EUR/USD up to the 1.14 area during the next week. This idea is supported by bullish weekly technical indicators.

Traders' Sentiment

The share of bulls fell from 49% to 47% in the past 24 hours, while long pending orders in 100-pip range from the spot price improved further from 54% to 58%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-6%	-2%	-2%	1%
Orders (±50 pips)	30%	6%	-26%	-1%
Orders (±100 pips)	16%	8%	-24%	-4%

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

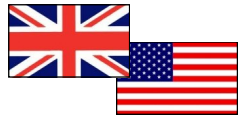
EUR/USD Daily Chart Current price: 1.1286



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.1395			
1.1370			
1.1305			
1.1280			
1.1241			
1.1180			
	1.1	1.1	
	1.08		1.09
		1.07	
	1.05		1.05
		1.04	
			1.03

	Level	Rationale
■ Resistance 3	1.1395/1.1403	Monthly R1; weekly R2
■ Resistance 2	1.1370	Bollinger band
■ Resistance 1	1.1305	Weekly R1
■ Support 1	1.1280	50% Fibo
■ Support 2	1.1241/20	Weekly and monthly PP; 20-day SMA
■ Support 3	1.1180/46	200, 100 and 55-day SMAs

GBP/USD takes another crack at weekly R3



"The minutes didn't give the market any clarity on when liftoff would occur and markets were hoping for more guidance."

- Myles Clouston, Nasdaq director (based on WBP Online)

Pair's Outlook

The Sterling appreciated against the US Dollar for the third consecutive day yesterday, while testing both the immediate support and the second closest resistance. The rally was not as strong as expected, but the Pound has a chance of reaching the 1.54 major level today. An obstacle, however, lies on the Cable's path in face of the weekly R3 at 1.5379, which could hold the gains. The GBP/USD is now supported by a tough cluster around 1.53, limiting any possible dips. Meanwhile, technical studies also suggest the pair is stuck between 1.53 and 1.54.

Traders' Sentiment

The percentage of bulls dropped to the lowest (57%) in October, while the share of buy commands also worsened, from 54 to 49%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	14%	24%	26%	23%
Orders (±50 pips)	22%	12%	-4%	8%
Orders (±100 pips)	-2%	8%	0%	9%

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

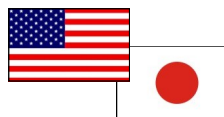
GBP/USD Daily Chart Current price: 1.5370



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1.5875			
1.5764			1.58
1.5654		1.57	
1.5543			
1.5433	1.56		
1.5322	1.54	1.54	1.55
1.5212	1.52		
1.5102		1.51	1.51
1.4991			

Level	Rationale
Resistance 3: 1.5485/88	100-day SMA; monthly R1
Resistance 2: 1.5437	55-day SMA
Resistance 1: 1.5379	Weekly R3
Support 1: 1.5319/1.5297	20 and 200-day SMAs; weekly R2; monthly PP
Support 2: 1.5245	Weekly R1
Support 3: 1.5185/76	23.60% Fib; weekly PP

USD/JPY poised to begin recovery



“The minutes were viewed as mirroring the dovish tone to the September 17 Fed statement rather than the more hawkish message delivered by a number of Fed speakers in the aftermath of the meeting.”

- Barclays (based on Business Recorder)

Pair's Outlook

The USD/JPY remained relatively unchanged on Thursday, having lost only eight pips. The immediate support cluster kept the US Dollar afloat and is likely to cause a rebound from the Buck's three-day slump. As a result, the Greenback should return above the 120.00 major level, around which it orbited for a whole month. The upper boarder of the given pair's trading range lies at 120.63, and is unlikely to be reached or pierced today, as the 20-day SMA at 120.13 should slow down the bullish momentum.

Traders' Sentiment

Bullish market sentiment returned to its Tuesday's level of 70%. At the same time, the portion of orders to acquire the US currency added six percentage points, now accounting for 61% of the market.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	40%	44%	42%	38%
Orders (±50 pips)	-10%	-16%	32%	0%
Orders (±100 pips)	22%	10%	12%	13%

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

USD/JPY Daily Chart Current price: 119.97



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
129			129
128			127
126			
125	125	125	125
124			
123			
121.27			
120.63			
120.13			
119.93			
118.83			
117.80			

	Level	Rationale
■ Resistance 3	121.27	Monthly R1
■ Resistance 2	120.63/87	Bollinger band; weekly R1; 200-day SMA
■ Resistance 1	120.13	20-day SMA
■ Support 1	119.93/61	Monthly and weekly PPs; Bollinger band
■ Support 2	118.83/53	Weekly and monthly S1s
■ Support 3	117.80	Weekly S2

Gold targets 1,147 for fourth consecutive day



“Gold was choppy following the U.S. FOMC minutes that did not give a clear indication of whether or not the Fed is poised to raise interest rates this year.”

- ScotiaMocatta (based on CNBC)

Pair's Outlook

From Tuesday till Thursday the precious metal was unable to penetrate the monthly R1 at 1,147. This resistance is strengthened by the 50% Fibonacci retracement of the May-July 2015 downtrend at 1,151. Following a bullish bounce back from yesterday's lows around 1,138, we expect the bullion to continue attacking the mentioned monthly resistance line. A rise above 1,151 would allow for a climb up to 1,155 in the near-term and 1,170 during the next trading week. On the other hand, any losses are likely to be limited by a powerful demand at 1,133/30.

Traders' Sentiment

This week the share of SWFX bullish open positions has remained largely stable, while yesterday their portion was fully unchanged at 53%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	6%	6%	12%	4%

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

XAU/USD Daily Chart Current price: 1147.18



SUPPORT & RESISTANCE	FORECASTS		
	Q3 15	Q4 15	Q1 16
1170		1255	1250
1151/1147			
1141			
1133		1173	1197
1123			
1109		1111	1111
		1091	

	Level	Rationale
Resistance 3	1170	Aug 24 high
Resistance 2	1151/59	50% Fib; Bollinger band; weekly R1; Sep high
Resistance 1	1147	Monthly R1
Support 1	1141	100-day SMA
Support 2	1133/30	38.2% Fib; 2014 low; weekly PP; 20-day SMA
Support 3	1123/21	Monthly PP; 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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