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



Technical Analysis

EUR/USD is inching higher towards 55-day SMA



"The euro is at a level where it's cheap enough. There's no justification to try and manipulate it even lower, but that doesn't mean Draghi won't do it."

- Santander (based on Bloomberg)

Pair's Outlook

EUR/USD performed in a confident up-trend on Monday, although the day brought very few fundamental drivers. The pair closed above the weekly pivot point and approached the 55-day SMA at 1.0933. However, this level remains untouched for the time being. According to the daily technical indicators, the Euro should continue growing in the next 24 hours. An increase above the 55-day SMA will expose the 1.1041 mark, namely the 200-day SMA. On the other hand, inability to develop strongly beyond 1.09 may result in a correction and a sell-off back in the direction of 1.08.

Traders' Sentiment

The share of the SWFX bulls was curbed by one percentage point to 45% by Tuesday. On the other hand, pending orders to acquire the Euro vs Greenback have improved to 47-48% since yesterday.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-8%	-10%	-10%
Orders (±50 pips)	-4%	-16%	8%	-8%
Orders (±100 pips)	-6%	-36%	-8%	-16%

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

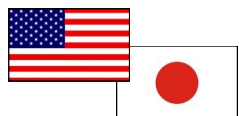
EUR/USD Daily Chart Current price: 1.0915



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1041			
1.1008			
1.0933			1.1
1.0908			
1.0864			
1.0808	1.08	1.08	
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

	Level	Rationale
Resistance 3	1.1041/55	200 and 100-day SMAs
Resistance 2	1.1008/14	50% Fibo; weekly R1
Resistance 1	1.0933	55-day SMA
Support 1	1.0908/1.0891	Monthly R1; 38.2% Fibo; weekly PP
Support 2	1.0864	20-day SMA
Support 3	1.0808	July low

USD/JPY subdued ahead of GDP results



"With the Fed's rate hike at the end of 2015, a new phase of divergence is at hand...we expect the Obama dollar rally to continue in 2016."

- BBH (based on Reuters)

Pair's Outlook

The US Dollar retreated from intraday gains on Monday, as an unexpected sell-off pushed the currency below the immediate support. Nevertheless, trade closed with the USD/JPY remaining relatively unchanged (losing only seven pips), but with technical indicators pointing to another possible decline today. The Bollinger band shifted significantly lower, suggesting the exchange rate could drop to around 120.50, while the monthly S1 keeps providing immediate support. Meanwhile, the strong cluster around 121.60 is likely to limit gains in case fundamental data boosts the Greenback.

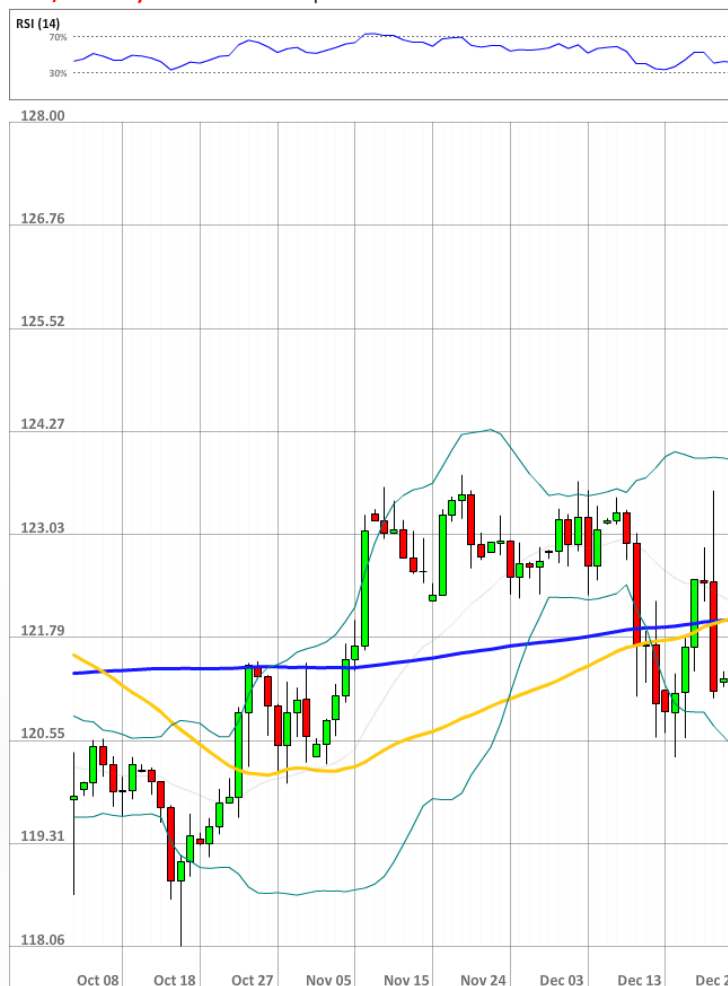
Traders' Sentiment

Market sentiment remains bearish, but at 72% (previously 74%). There are now 2% points more orders to buy the Buck, namely 60%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-44%	-48%	-12%	-30%
Orders (±50 pips)	30%	-34%	14%	1%
Orders (±100 pips)	20%	16%	12%	-5%

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

USD/JPY Daily Chart Current price: 121.27



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
128			
127	127		
125	125	125	125
123.01		123	
122.20	122		122
121.48			
120.98			
120.58			
120.25			

	Level	Rationale
Resistance 3	123.01	Weekly R1
Resistance 2	122.20/36	20-day SMA; monthly PP
Resistance 1	121.48/68	55, 100 and 200-day SMAs; weekly PP
Support 1	120.98	Monthly S1
Support 2	120.58	Bollinger band
Support 3	120.25	Nov low

Gold skyrockets past 1,075 to expose 1,086



"A major stumbling block for a further gold rally is oil, and commodity prices in general."
- HSBC (based on CNBC)

Pair's Outlook

A rally, which commenced last Friday, has been successfully prolonged during the past 24 hours. Gold advanced above the July low and 20-day SMA to close slightly below the weekly R1 at 1,077. Now the focus is shifting to the monthly pivot point at 1,086, which is strengthened by the upper Bollinger band and the current December high. Moreover, daily technical indicators are now expecting the bullion to climb. However, bearish risks are created by the 55-day SMA (1,105), which has recently managed to cross another moving average on the longer-term 100-day time frame.

Traders' Sentiment

The SWFX market participants continued to fix profit from the gains gold has showed on Friday and Monday. As a result of that, the percentage of long traders sank from 57% to 56% yesterday, the lowest level in six trading weeks.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	14%	18%	20%

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

XAU/USD Daily Chart Current price: 1077.31



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			
1206		1200	
1125			1125
1100			
1094			
1086			
1080			
1071			
1072			
1063			
1055			
1048			
1037			

	Level	Rationale
■ Resistance 3	1,094	Weekly R2
■ Resistance 2	1,086/89	Monthly PP; Bollinger band
■ Resistance 1	1,080	Weekly R1
■ Support 1	1,072/70	July low; 20-day SMA
■ Support 2	1,063	Weekly PP
■ Support 3	1,055	Bollinger band

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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