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



Technical Analysis

EUR/USD sets eye on key resistance at 1.0940



"I don't think there's anything the ECB can do to get euro-dollar down to parity."
- Societe Generale (based on Bloomberg)

Pair's Outlook

EUR/USD booked some moderate gains throughout the session on Tuesday, but it was repeatedly contained by the two-month downtrend line at 1.0940. This one remains a key supply level for the pair, which also guards 100-day SMA and monthly R1 at 1.0959/72. Unless all of them are breached, the focus will not shift to 200-day SMA at 1.1052. On the other hand, the bears are also required to confirm the support at 1.0862/41 in order to push further expectations downwards. By closing below the monthly pivot point, the next lower target will be the January low at 1.0711.

Traders' Sentiment

Long SWFX market participants continued to lose ground yesterday, with their share tumbling to 41% from 43%. Meantime, pending orders are 52% short in both 50/100-pip ranges from the spot.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-18%	-14%	-8%	-11%
Orders (±50 pips)	-4%	-20%	-6%	-5%
Orders (±100 pips)	-4%	-18%	-18%	-12%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
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	Sell	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell

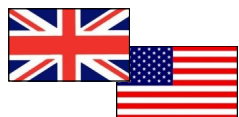
EUR/USD Daily Chart Current price: 1.0921



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1115			
1.1040			
1.0935			1.1
1.0881			
1.0847	1.08	1.08	
1.0812			
	1.05	1.05	1.05
	1.03		
		1.01	
			1.02

Level	Rationale
Resistance 3: 1.1115	Weekly R3; monthly R2
Resistance 2: 1.1040/52	Weekly R2; 200-day SMA
Resistance 1: 1.0935/72	Weekly/monthly R1; 100-day SMA; Bollinger band
Support 1: 1.0881/62	Weekly PP; 20-day SMA
Support 2: 1.0847/41	Monthly PP; 55-day SMA
Support 3: 1.0812/08	Bollinger band; July 2015 low

GBP/USD eyes 1.4680/50



"In an otherwise thin and lacklustre day ... that news of real progress [on 'Brexit'] has given sterling a little fillip."
- ETX Capital (based on Reuters)

Pair's Outlook

After piercing through the monthly pivot point the Cable confirmed 1.4389/80 to be the new support. Therefore, the chances are that for now the currency will keep appreciating against the Dollar. The closest significant resistance is at 1.4533 (weekly R1), but in case of a healthy recovery this is unlikely to stop the pair, and a rally up to 1.4681/53 remains the base scenario. Additional resistance is at 1.4763 (55-day SMA), but anything below 1.50 is bearish.

Traders' Sentiment

The current sentiment in the SWFX market is a little less bearish than yesterday—57% of positions are short instead of 61% recorded yesterday. Something similar happened to the orders—the share of sell ones dropped from 64 to 56%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-14%	-22%	22%	19%
Orders (±50 pips)	-6%	-26%	30%	-6%
Orders (±100 pips)	-12%	-28%	16%	-6%

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

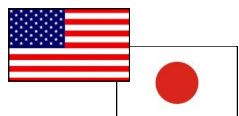
GBP/USD Daily Chart Current price: 1.4420



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.55			
1.5212			1.52
1.518	1.51	1.51	
1.5018	1.49		
1.4824		1.48	
1.4681			1.47
1.4631			
1.4533			
1.4437			
1.4389			
1.4351			
1.4243			
1.4049			

	Level	Rationale
■ Resistance 3	1.4681/53	Weekly R3; monthly R1
■ Resistance 2	1.4602	Bollinger band
■ Resistance 1	1.4533	Weekly R2
■ Support 1	1.4389/75	Weekly R1; monthly PP
■ Support 2	1.4351	20-day SMA
■ Support 3	1.4269	Weekly PP

USD/JPY chooses bearish path



"Investors have already found it difficult to buy the yen further, given the monetary policy direction, but they tend to ignore this point when there's talk of risk factors such as oil prices."

- Mizuho Securities (based on MarketWatch)

Pair's Outlook

Despite the support from the technical indicators the latest rally from 116.50 yen proved to be unable to extend beyond the 200-day SMA, meaning the outlook remains bearish. Even if USD/JPY breached 121.50, there would still be a major down-trend at 123. Accordingly, while there might be a small recovery from 119.60, the recent gains are likely to be eventually negated. Beneath the weekly pivot point the next target should be the weekly S1 level at 117.50, followed by the 2015 low at 115.85.

Traders' Sentiment

There are less bears than yesterday—their portion fell from 72 to 68%. On the other hand, the percentage of orders to sell the Greenback soared from 42 to 75%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-36%	-44%	-44%	-43%
Orders (±50 pips)	-66%	30%	18%	3%
Orders (±100 pips)	-50%	16%	16%	6%

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

USD/JPY Daily Chart Current price: 119.74



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

	Level	Rationale
Resistance 3	121.48	200-day SMA
Resistance 2	120.77/47	Bollinger band; 55- and 100-day SMAs
Resistance 1	120.15	Weekly PP
Support 1	119.59	Monthly PP
Support 2	118.62/36	Weekly S1; 20-day SMA
Support 3	117.50	Monthly S1

Gold awaits bearish momentum from 200-day MA



"There's not a lot of alternatives for China at the moment and funds are now moving to invest in gold."
- GoldSilver Central (based on CNBC)

Pair's Outlook

Risks for gold are skewed to the downside, as the XAU/USD cross is hovering just around an extremely important resistance, namely 200-day SMA at 1,129. To consolidate above it, gold will also have to erase both the weekly R1 and Dec-Jan uptrend at 1,131/33. Such a scenario will become a vital positive signal for gold's future trading. However, a possible bearish impetus provided by 200-day SMA is likely to cause a sell-off down to the weekly pivot point (1,114), which is followed by a bunch of supports above 1,100. Meantime, daily indicators assume a mostly sideways trading over Wednesday.

Traders' Sentiment

The gap between long and short traders dipped back to ten percentage points in the SWFX market, as the latter have regained 3% over Tuesday. At the moment as many as 55% of all open positions is bullish, leaving the bears in a minority of 45%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	10%	16%	8%	10%

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

XAU/USD Daily Chart Current price: 1127.47



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			
1206			
1200			
1156			
1143			
1129			
1114			
1106	1100		
1100			
1071			
1048			
1037			

Level	Rationale
Resistance 3: 1,156	Sep 2015 high
Resistance 2: 1,143/48	Monthly R1; weekly R2; downtrend
Resistance 1: 1,129/37	Bollinger band; 200-day SMA; weekly R1; uptrend
Support 1: 1,114	Weekly PP
Support 2: 1,106/02	100/20-day SMAs; Oct 2015 low; monthly PP
Support 3: 1,100/98	Weekly S1; Sep 2015 low

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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