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RESEARCH PRODUCTS

02/07/2013

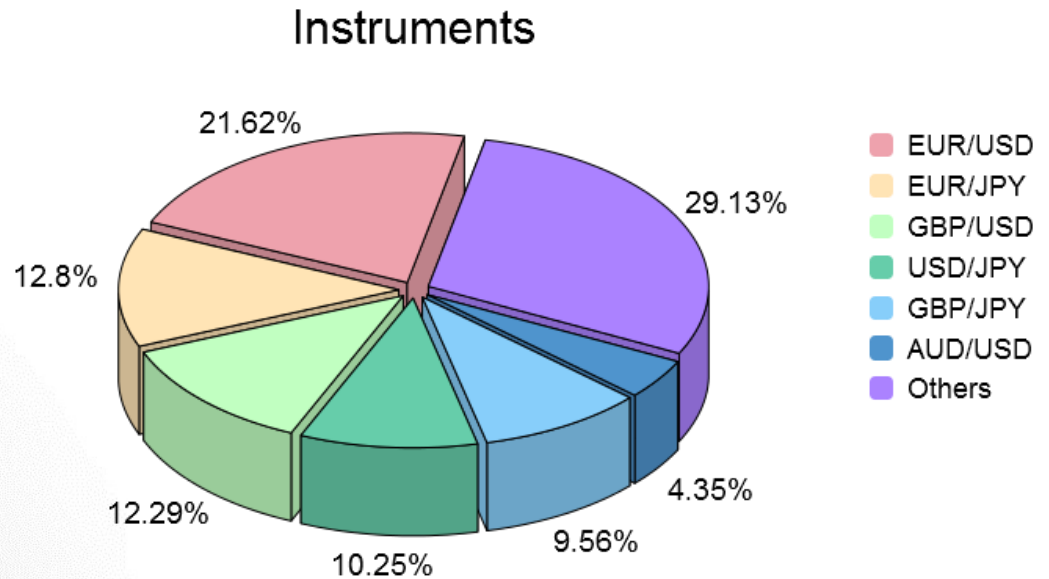


Community Forecasts

SWFX Top 3 Currency Pairs

Last week, the most traded currency pair was EUR/USD, followed by EUR/JPY and GBP/USD. These pairs contributed almost 47% of the total trading volume, with respective shares of 21.62%, 12.8% and 12.29%. Given strong interest in the above-stated currency couples, Dukascopy Research Team asked traders, who achieved the most remarkable results in trading these instruments, to share their forecasts for the upcoming week (01.07-05.07).

Sentiment on the most traded pairs seems to be mixed as about a half of market participants are short on the pairs, with the same proportion of traders holding long positions. EUR/USD appears to be the only currency couple where bears slightly outweigh bulls, with 53% of traders being short on the pair.

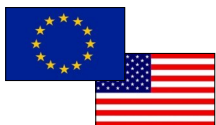


Instrument	Buy	Sell
EUR/USD	47 %	53 %
EUR/JPY	49 %	51 %
GBP/USD	50 %	50 %

Congratulations to the last week's most successful traders of the Dukascopy Trader Contest! Top-performers in EUR/USD, EUR/JPY and GBP/USD were Skif, polone and nuonrg, earning \$151,241, \$134,571 and \$128,329, respectively. The best-performing traders also shared their forecasts and comments on their preferred currency pair.

Last Week's Top Traders

EUR/JPY		EUR/USD		GBP/USD	
Nickname	PNL	Nickname	PNL	Nickname	PNL
polone	134571	Skif	151241	nuonrg	128329
pipthagorian	125598	truongftu	90785	Bansh33	125045
Spyros	119656	florin_trader	89917	MrSami	109749



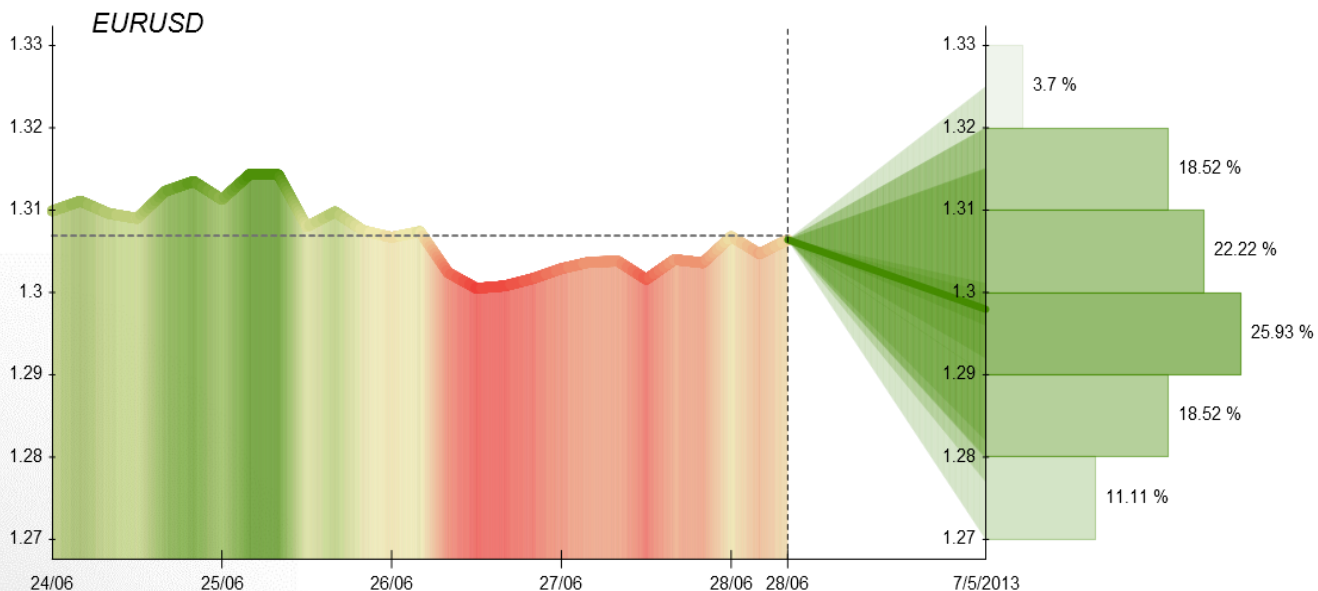
EUR/USD 1W Chart

After collecting traders views on the future outlook for each of the currency pairs and making necessary calculations, a chart reflecting future development of the EUR/USD pair was constructed.

The majority of all respondents (25.93%) expect the EUR/USD to reach 1.297 by Friday, July 5. However, the minority of all traders, who took part, in the interview are suggesting the pair will be traded in a range between 1.32 and 1.33. However, almost a half of all respondents (48.15%) are expecting the pair to be range bounded between 1.29 and 1.31, thus the trading range is expected to be around 200 pips.

According to our respondents, the pair will be mostly driven by technical analysis. Nevertheless, improved economic situation in the U.S. is likely to weighed on the pair movement. Several traders mentioned that the U.S. economy looks more solid and stable rather than the European Union, therefore, they expect the appreciation of the greenback versus the single currency.

Amid main fundamentals, which can affect the pair's movement most, are the U.S. trade balance, unemployment claims and ISM Non-Manufacturing PMI released on Wednesday. In addition to that on Thursday European statistics office will unveil final GDP data, while the ECB press conference is also scheduled on Thursday, where Mario Draghi will decide whether to cut a benchmark interest rate and introduce additional measures to stimulate growth or leave the policy on hold.



Skif on EUR/USD:



"I see two scenarios for the pair in the first week of July. Scenario is for the case if June's close is above 1.3011, I would recommend placing buy order at 1.3010, with SL at 1.30 and TP at 1.3157 and place order: sell at 1.30, SL at 1.3017 and TP at 1.2927. Day's close below 1.2960, then place buy order at 1.3031, buy stop at 1.3009 and TP at 1.3165. Second scenario is based on the assumption that June's close will be somewhere between 1.2980 and 1.2960 or even lower. I suggest placing SL at 1.2877, stop loss at 1.2901, partly close position at 1.2789 and TP at 1.2727. After that, I would recommend setting sell limit at 1.2818, SL at 1.2837 and TP at 1.2698. If the pair closes below 1.2950 in the first two days of July, I suggest setting sell limit at 1.2967, SL at 1.2981 and TP at 1.2827.

Techforex on EUR/USD:



"Both EUR and USD have strong bullish sentiment since the last few days. This momentum is likely going to continue in the coming week as well."

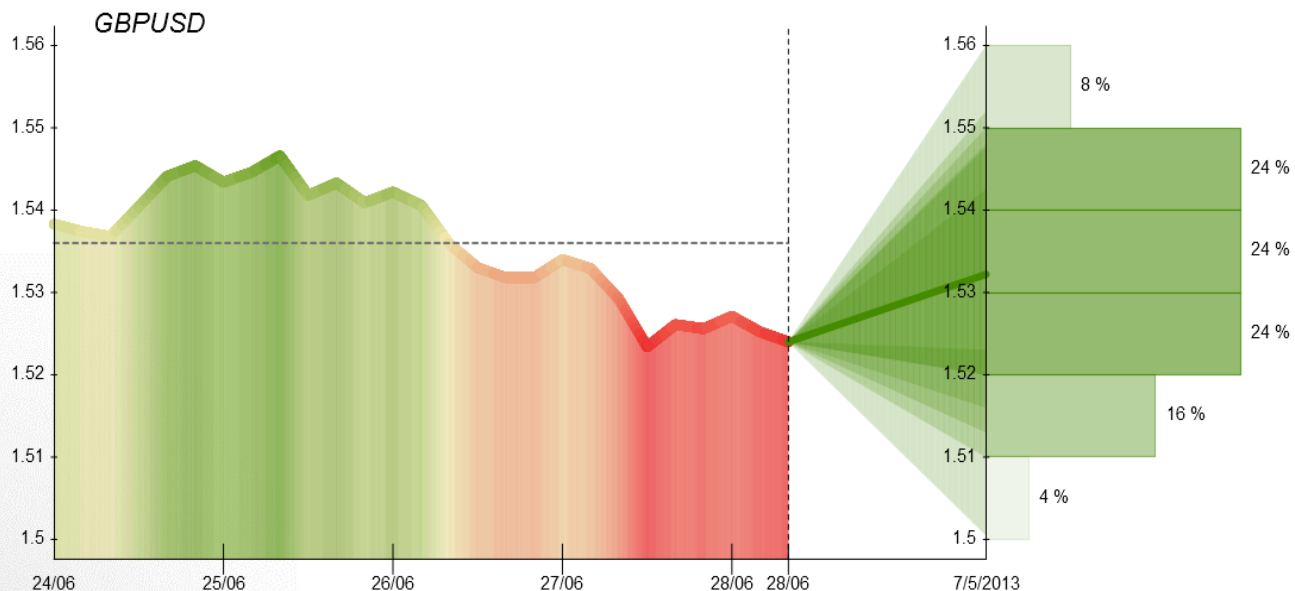
 **GBP/USD 1W Chart**

Based on forecasts and opinions received from our traders a chart reflecting future development of the GBP/USD pair was constructed. It was designed to predict the pair's movement until Friday, July 5.

According to the majority of respondents, the pair is likely to reach 1.531 until Friday, therefore, a slight appreciation of the Great British Pound versus the U.S. Dollar can be expected. Traders were almost univocal in regards with GBP/USD, as the same percentage of respondents voted for three different targets— 1.52-1.53, 1.53-1.54 and 1.54-1.55, so it is widely expected that a trading range will be around 300 pips, adding to evidence the pair can be very volatile and profitable for trade.

The pair is likely to be driven by technical, as practically all traders named several support and resistance lines. Moreover, Mark Carney will take the position of the Bank of England's Governor this week, and during his first policy meeting on July 4, he can call for additional stimulus measures, to ensure the recovery will continue gaining momentum, however, analysts do not expect any changes in BoE's policy as the economic recovery is on hold.

Even though during the last week traders' attitude to this pair was not clearly bullish or bearish, at the moment of writing, the majority (62%) of all opened positions on this pair were long. Taking into account Britain's improved economic performance, BoE's new leader, who already proved himself as a talented economist at the Bank of Canada, and market sentiment, the appreciation of the pair toward 1.53 is widely expected.



Nuonrg on GBP/USD:



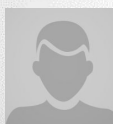
"GBP/USD starts week on 1.54250. Then makes it's way into 1.527. Ending the week in 1.516 dipping lower towards the daily up-sloping trend line. Signals supporting this move are that the price already closed below 50 fib of last move up. All holds or falls with the break of the 38.2 of the last big move down from begin of this year."

Mark80 on GBP/USD:

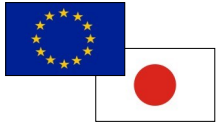


"Next week we will see a predominance of bears on the currency pair, confirming signal will close the week below the level of 1.5230. the first goal will be to reach 1.5150 -1.5130 district, after breaking through the lower end zone is the bottom of the trading range 1.5000 -1.4900 accompanies this movement and fundamental background on USD and GBP, although achieving the first objective, it is probable that we will see this week."

Irako on GBP/USD:



"My forecast for GBPUSD is between 1.5320 and 1.5480. It is based on technical analysis based on visually drawing support and resistance lines on 2 timeframes: 1 day and 15 min. However expect some volatility due to low liquidity during summer holidays. But also new BOE governor taking office. From a fundamental standpoint UK economy is still struggling, capping GBP rise."



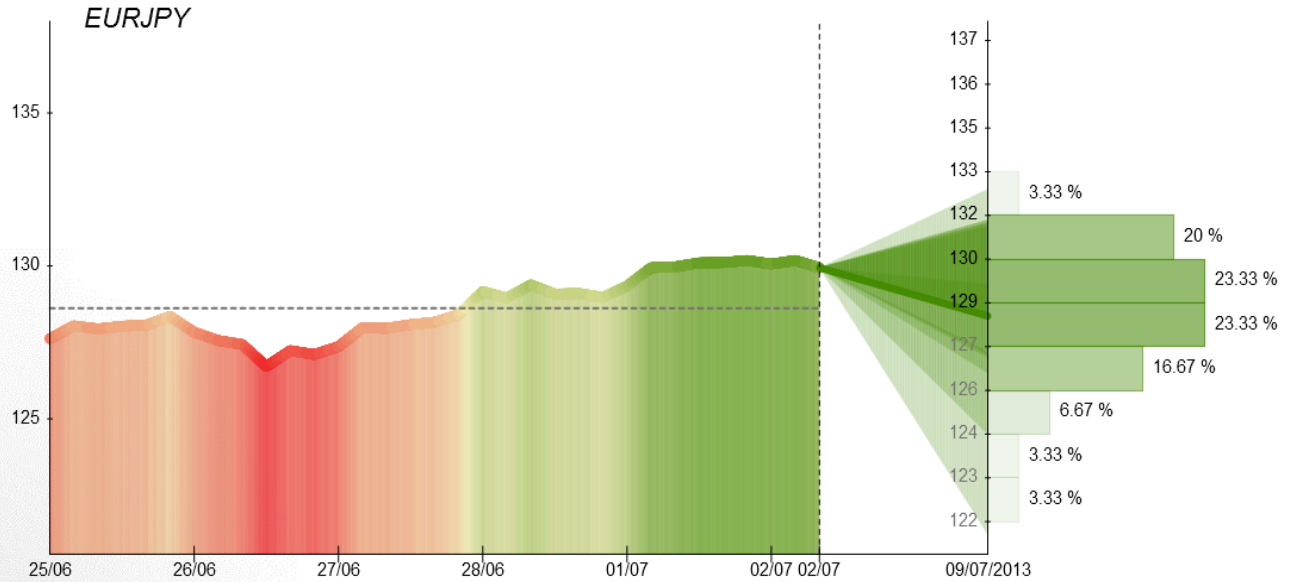
EUR/JPY 1W Chart

After collecting data from our traders we have constructed a chart, which is designed to predict future movement of EUR/JPY, also showing target level for Friday, July 5, and showing the percentage of respondents voting for each interval.

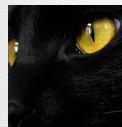
The majority of respondents suggested the pair should reach 128.61 by this Friday. The lowest level, which can be achieved is 121.22, while the highest point was 132.5.

The pair is likely to be driven by technicals and fundamentals, as practically all traders named several support and resistance lines, and referred to other technical indicators. As concerns fundamentals, data on Japanese monetary base came out this Monday and was at 36% missing the analyst estimates of 41%. In addition, investors await the BOJ Governor Kuroda's speech on Thursday about the future monetary policy. Moreover, data on European GDP, as well as the ECB press conference scheduled for this Thursday, where the ECB president Mari Draghi is expected to launch new measures to stem economic growth in the Eurozone, will also weigh on the pair.

At the moment of writing, the majority (59.04%) of all traders closed positions on the EUR/JPY currency pair, while nearly 41% of traders still held long positions.

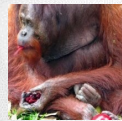


Scramble on EUR/JPY:



"I expect a straight continuation upside for the upcoming week based on technical analysis. Quarterly chart: the instrument clearly is closing into 126.80 - 138.30 range area, showing an important uptrend coming since 88 area. 4h chart: price has broken up the red short-term downward line. There is a forgotten support "to be tested" in 128 area while the nearest main resistance now goes in 130 and 132 price areas. For the next week I expect price to test middle and lower 128 area, collect more demand and bounce till higher resistance 200-250 pips far to print as weekly range 128.30 - 131.40."

Thepipswizard on EUR/JPY:



"For the 1.07-5.07 period I am looking for the EUR/JPY to consolidate between the 128.50 and 131.50 level, and the reason for such a consolidation is based both on technicals and fundamentals considerations. On the technical part, on the four hours chart the previous move from the highs ended with a contracting triangle that reversed higher, and this implies we are in a correction and the previous highs are going to be taken. The upper side of the range at 131.50 is given by the fact that 61.8% of the previous wave (possible an a wave of a contracting triangle) is done at the 130 level and now looking for consolidation to come or for a slight drift lower. On the fundamental part I am looking forward to see the guidance from the ECB this Thursday, but more important will be the jobs data in the United States as the JPY pairs react the most to such news."

Last week's best comment: I see two scenarios for the pair in the first week of July. Scenario 1 is for the case if June's close is above 1.3011, I would recommend placing buy order at 1.3010, with SL at 1.30 and TP at 1.3157 and place order: sell at 1.30, SL at 1.3017 and TP at 1.2927. Day's close below 1.2960, then place buy order at 1.3031, buy stop at 1.3009 and TP at 1.3165. Second scenario is based on the assumption that June's close will be somewhere between 1.2980 and 1.2960 or even lower. I suggest placing SL at 1.2877, stop loss at 1.2901, partly close position at 1.2789 and TP at 1.2727. After that, I would recommend setting sell limit at 1.2818, SL at 1.2837 and TP at 1.2698. If the pair closes below 1.2950 in the first two days of July, I suggest setting sell limit at 1.2967, SL at 1.2981 and TP at 1.2827.

Dukascopy Bank SA expresses its great gratitude to the community member "Skif", the owner of the most remarkable forecast.

YOUR OPINION MATTERS

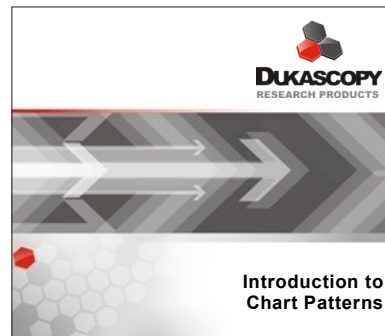
Dukascopy thanks all the participants!

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	FXMagix	EUR/JPY
	sw20	EUR/JPY
	nuonrg	EUR/JPY
	zevik	EUR/JPY
	scramble	EUR/JPY
	Veksel	EUR/USD
	ivan77755	EUR/USD
	sintano	EUR/USD
	nuonrg	EUR/USD
	nuonrg	GBP/USD
	Lalaina	GBP/USD
	Erd	GBP/USD
	only_number_one	GBP/USD
	Mark80	GBP/USD
	Long_Beer	GBP/USD
	likerty	EUR/USD
	likerty	GBP/USD
	likerty	EUR/JPY
	Acwcs1962	EUR/USD
	lalaina	GBP/USD
	Airmike	EUR/JPY
	Arturs 10	EUR/JPY
	thepipswizzard	EUR/JPY



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