



DUKASCOPY
RESEARCH PRODUCTS

11/09/2013



Community Forecasts



EUR/USD 1W Chart

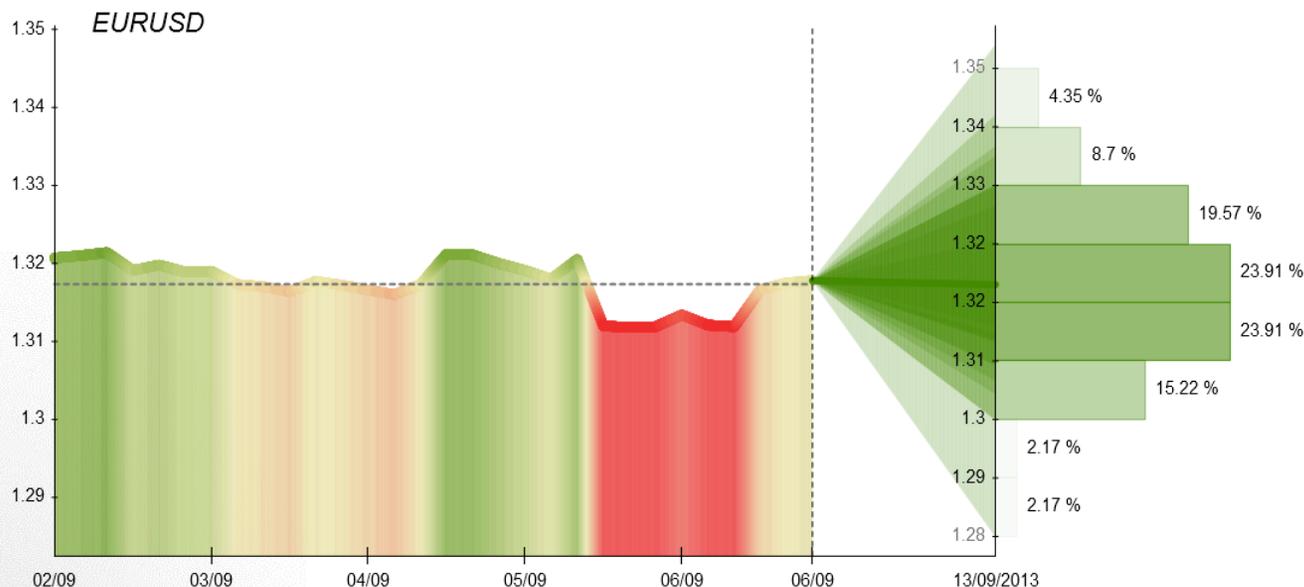
The single currency is losing ground against eight major currencies during the last two weeks; however, during the last week it was not very volatile, even though it has lost 0.9% during the five trading days. According to our traders, the pair is likely to stay rather calm this week as well.

The majority of respondents are expecting EUR/USD to close just slightly above 1.32 level on Friday, September 13, only 30 pips higher than the last week's average price. Nevertheless, at the moment of writing the pair was already changing hands at 1.3264, outpacing traders' expectations so far.

As it was widely expected, practically all traders were using technical analysis to make their predictions; however, it seems that fundamental data and geopolitical situation will offset any strong support or resistance line in the nearest future. Many of traders mentioned conflict in Syria, and according to trader "Juandata" Wednesday's Senate session may be crucial for this and other pairs. He also mentioned that no vote on Syria could boost EUR/USD to 1.339.

Nevertheless, the most traded currency pair is likely to depreciate in the nearest future. This idea is supported by a slight majority of short positions (58%) and a [channel down pattern](#) formed on the 4H chart. If downtrend persists, traders could find strong support at 1.3079— pattern's support and daily support .

Even though traders' median forecast show practically no change, EUR/USD can be loose more than 100 pips during the next couple of trading days.



Erialda on EUR/USD



"I think we will have a bearish downtrend soon. In the daily chart this currency pair has formed double tops, or a W with heads down. In fact, I believe that the close of this week will be 1.3033, if not i think the pair will close near to the pivot point 1.3168. Anyway, I see a descending triangle in monthly chart. In the next months I see a little choppy market, until a strong signal for an uptrend will be in the chart."

Victor on EUR/USD



"EURUSD's woes may not necessarily due to Eurozone activities but the looming war threat and possible escalation of oil prices. This puts a greatly large inflation pressure on the Eurozone in the immediate future. Guess, the pair's downslide is imminent. The range for the coming week would be 1.33 on higher side and 1.2850 on the lower side."



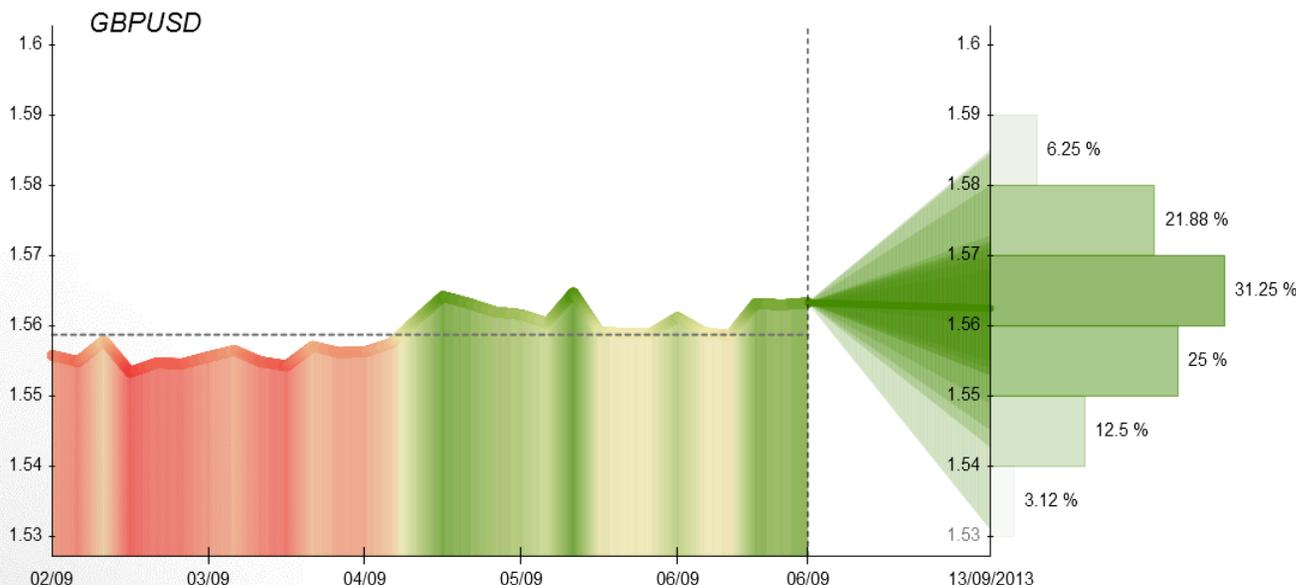
GBP/USD 1W Chart

The British Pound traded up during the last week to hit 1.568 and finish at 1.563 on Friday, supported by several economic data releases. On Wednesday, Markit UK services price manufacturing managers' index data was published showing Britain's service sector grew at its fastest pace in six years. In addition, the Bank of England left the rates unchanged on Thursday, also adding to investor sentiment.

The couple traded at 1.558 on average last week. However, according to analysts GBP/USD might end its bullish trend, since the pair is approaching to its key resistance level.

As concerns traders' forecasts for this week, the majority of respondents are rather neutral on GBP/USD couple, as they see the pair trading close to 1.56 on Friday. However, around 50% were still bullish on the pair, since they expect it to close well above the 1.56 levels. The pair was trading at 1.569 on Tuesday at 12:42 GMT.

50% of all respondents were using technical indicators to make their forecasts on the pair, while 40% were using fundamentals or a combination of the two in predicting the pair's movements. Among fundamentals, several traders referred to the U.S. congress decision on Syria, inflation report due on Thursday and claimant count change as the key events having a potential effect on the pair. According to Dukascopy Fundamental Analysis contest, 68% of traders think the claimant count change will have a bullish impact on GBP/USD. Among other important fundamentals for the pair are the reports on the U.S. retail sales and price inflation that will be published on Friday.



robfn on GBP/USD



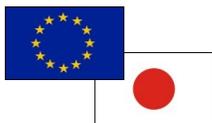
"With reference to the GBP/USD using fundamental and technical views I can see the pair continuing upwards. The 1.5700 level has been tested twice in the last 6 months and with a nice upward trend in place, I see no reason why this level cant be tested again. That coupled with encouraging economic news coming from the UK leads me to believe that this level could be broken, however I do not see this happening till the end of September. With this in mind my maximum value for the GBP/USD is 1.5710 and a minimum value of 1.5530."

Mcquak on the GBP/USD:



"My forecast is based on harmonic patterns technical analysis. Last week GPBUSD's price action found C point of emerging Bullish Deep Crap pattern. So next week I'm expecting emerging CD leg of this pattern. In case price action will imitate this pattern, we can experience price to go down to at least point B at 1.54275 or even further down through 1.52488 to 1.50984.

If price action won't imitate the previously mentioned pattern, we can experience breach of A point at 1.57167 which could take us up to 1.58722 which is 113% retracement of previous price actions."



EUR/JPY 1W Chart

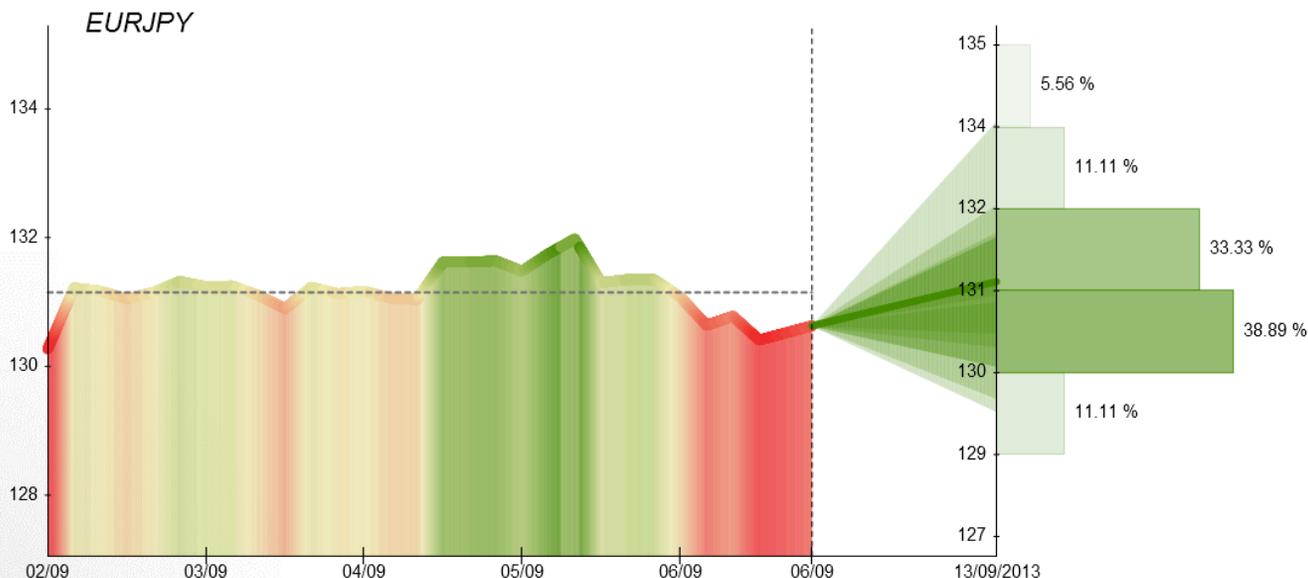
The EUR/JPY couple traded up during the first four trading days last week and reached the highest level at 131.98 on Thursday. However, the Euro traded lower against the Yen on Friday and closed the week at 130.63. Last week the couple's average price was 131.148.

At the moment of writing the pair was trading at 133.011 and according to our traders' forecasts was supposed to trade close to the level of 131 on Friday. The forecast median shows that Dukascopy community members are rather bullish on this pair, while around 49% of respondents are still bearish on EUR/JPY.

90% of traders, who took part in forecasting the pair's minimum and maximum value for this week based their predictions purely on technical analysis. Our community member "Juandata" saw two possible scenarios for the pair either breakout and reach 133.8 or fade the breakout and close near 130.3 this Friday.

Among important fundamental events for the pair, Japanese MSI Manufacturing Index and core machinery orders data are to be released on Wednesday, both expected to show positive readings.

Hence the outlook is bullish, the strong stop for the long traders could be found at 132.14, as trader "DumbAsRock" said. Nevertheless, this target was rejected earlier, as taking into account last week's top, level of 132 seems to be the most probable target in case bullish trend is confirmed.



DumbAsRock on EUR/JPY:



"EUR/JPY showed a positive trend last week opening at 129.938 and closing at 130.563. Although the high of 132.145 was rejected, the pair looks positive on an eight hour true trend chart. In addition there's correlation from GBP/JPY. Personally, I plan to go long at 130.88 with a Stop Loss of 37 pips and a Take Profit of 110 pips."

annatimone on EUR/JPY:



"This week, data regarding Japan's tertiary industry activity will be released. Additionally, the Bank of Japan will release information regarding how it perceives Japan's economy through the release of the bank's monetary policy meeting minutes. Moreover, there will be releases from the Euro-zone as well this week – including the release of the Italy's GDP data which could decrease the value of the Euro. Uncertainty regarding whether sales tax will be increases in Japan is also a concern. Thus, I am neutral on the EUR/JPY for this week."

YOUR OPINION MATTERS

THE MOST SUCCESSFUL FORECAST MAKERS WILL BE OFFERED TO JOIN THE RESEARCH TEAM IN THE DUKASCOPY DAILY WEBINARS!

Week's 2.09 - 6.09 Most Precise Forecasts

EUR/USD				USD/CHF				AUD/USD			
Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD
 nuonrg	1.3	1.325	0.014	 ImranMughal99	0.936	0.9432	0.004	 AdamFx42	0.9	0.92	0.013
 ImranMughal99	1.3145	1.339	0.015	 Daytrader	0.928	0.945	0.009	 NassauPrecepts	0.8935	0.905	0.02
 maris24	1.31	1.34	0.017	 nuonrg	0.93	0.9485	0.009	 geula4x	0.885	0.905	0.026

*RMSD = Root-mean-square deviation

Dukascopy thanks all the participants!

-  **HelgaPehkel**
-  **Erialda**
-  **sole_discretion**
-  **FlashTrade**
-  **Sircris**
-  **anton_dang**
-  **Victor**
-  **geula4x**
-  **Maksim_Chelnokov**
-  **mag**
-  **drishti**
-  **Juandata**
-  **apsu**
-  **llonalt**
-  **mcquak**
-  **Robnfc**
-  **DumbAsaRock**
-  **GreyEmin**
-  **annatimone**
- **Biosiska**

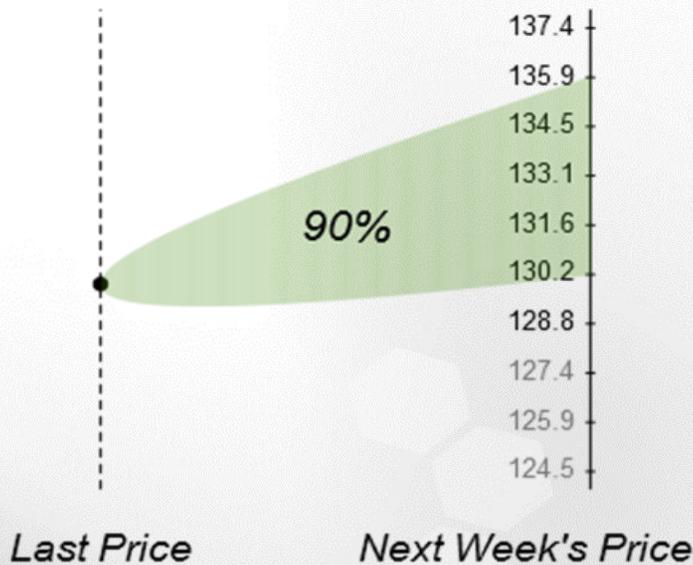


Fundamental Analysis Contest
Do you know how the price will react to the news? Submit your prediction for the price movement direction and win!

EXPLANATIONS

The right-hand scale of the first graph depicts the range of values that the next week's exchange rate can take with a 90% probability. The construction of this range is based on statistical notions.

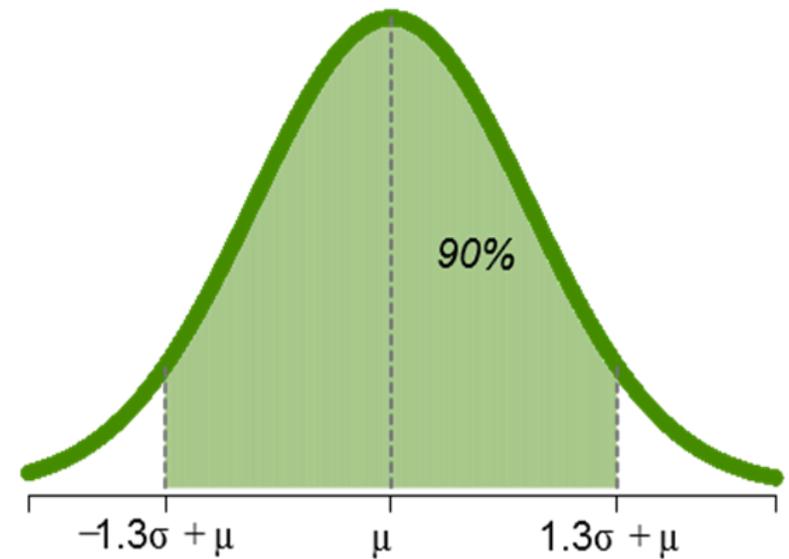
Under the assumption that currency pair logarithmic returns are normally distributed with mean μ and standard deviation σ as illustrated by the second graph, the respective probability density function can be used to find a 90% probability range for weekly returns. Obtained critical values can be then converted into the end points of the price range.



Graph 1: Confidence interval used for "Community Forecasts"

For convenience, the price range is divided into four inner intervals, marked by black labels. Two outer intervals denote values that are greater or less than critical, and therefore fall out of the 90% probability range.

Grey labels, if any, show additional intervals that are introduced if the basic range does not cover all forecasts.



Graph 2: Probability Density Function for a Normal Distribution



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