



DUKASCOPY
RESEARCH PRODUCTS

09/10/2013



Community Forecasts

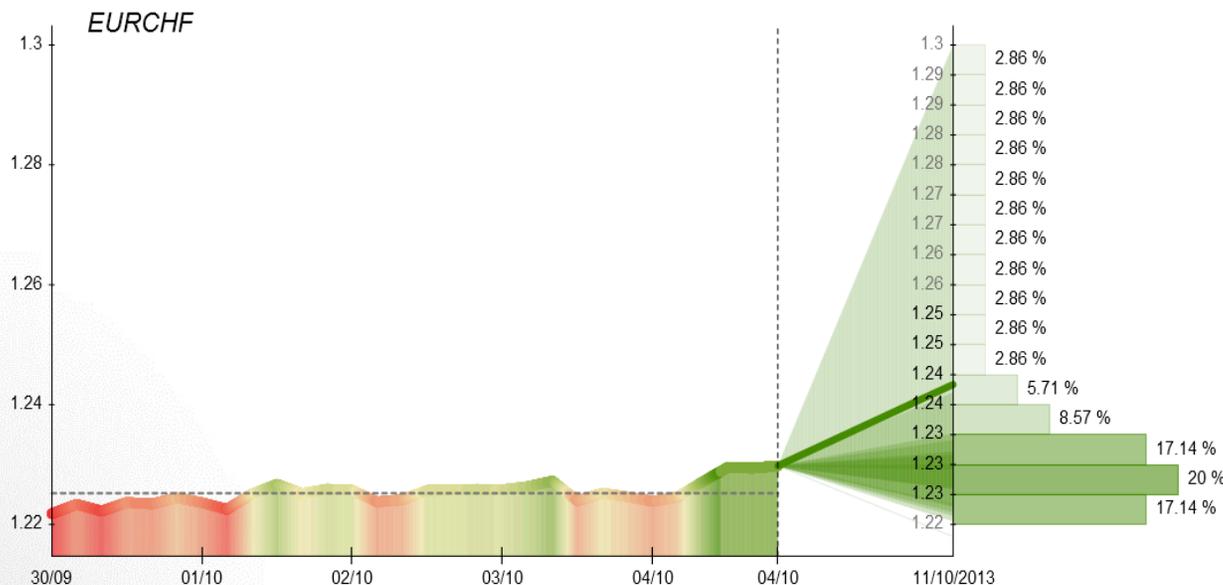
  **EUR/CHF 1W Chart**

After last week's rally from 1.2216, EUR/CHF has been relatively flat during the first two days of this week. At the moment of writing the pair was changing hands at 1.2277, just 20 pips above the last week's average price.

However, it seems that rally will build up steam during the rest of the week and close at 1.2433 on Friday, October 11. Even though respondents provided us with the variety of trading ranges, starting from 1.22 and up to 1.30, 66.7% of traders are bullish on the pair, reinforcing a view, single currency will continue appreciating against the Swiss Franc. Furthermore, on October 8 74% of all opened positions were long, indicating the vast majority of traders are bullish on the pair.

Regarding the possible drivers of the pair, we can mention Mario Draghi's speech on Wednesday, which according to Dukascopy traders, is likely to have a **bullish impact** on the Euro, albeit weak. Amid continuous government shutdown in the United States, single currency is gaining in value against its major peers, and until the budget deal is reached, all Euro crosses are likely to go higher.

From the technical part, trader Juandata, mentioned the formation of triangle pattern, he "expects it to break to the upside within one or two days as the bullish correction that started on September 29th should continue. Weekly R2 is my target this week, so it could be the maximum." Hence, the pair may go up to 1.2351, represented by a weekly resistance. On the other hand, the pair is facing a strong support at 1.223, which is likely to hold in the short and medium term.



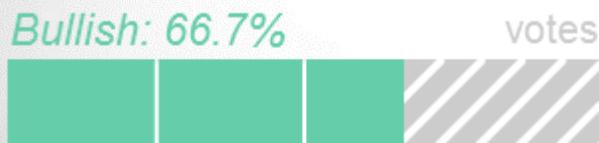
Roger123 on EUR/CHF

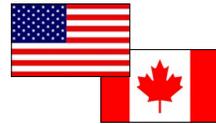
"EUR/CHF formed a base at 1.2218 support held any downside since May, recovered to 200 days MA 1.2300 (red line), a break of 1.2312 resistance 200 days SMA (Blue line) is needed to confirm bottom in place. Otherwise, i favor another decline."



khaledalsaadani on EUR/CHF

"This pair has a downward trend in the long run, but lateral trend in the medium and short term. I think it will move in the range of 1.2230 and 1.2300 in the week without too many surprises, barring any unexpected last-minute news."





USD/CAD 1W Chart

From September 30 till October 8 the USD/CAD currency pair was trading in the range between 1.02749 and 1.03515, close to its first support at 1.0269 and resistance at 1.0371. A move above this strong resistance would indicate there is a room for upside movement.

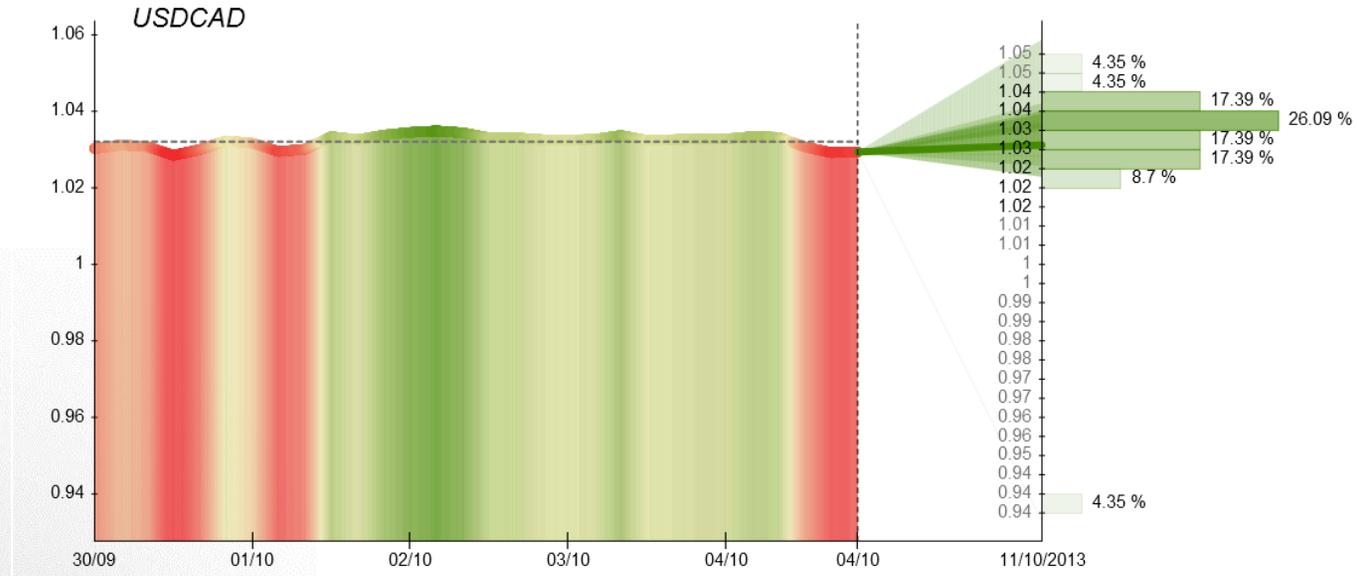
At the moment of writing the pair traded at 1.03279. Short before that, data on the U.S. Trade Balance came out and was at -1.3 billion, missing the analyst estimates, and perhaps helping the Greenback to strengthen against the Canadian dollar.

This week's survey shows that the majority of community members are rather bullish (66.7%) on the couple and see the pair to trade in the range between 1.03 and 1.04 by this Friday.

Nearly 90% of all community members who took part in developing this analytic product, used purely technical indicators when making their forecasts. "Risgiantoro" said that the 200-day SMA is keeping the pair supported and, therefore, predicted the pair to go up.

Our traders did not refer to any fundamentals this time, however, Dukascopy [Fundamental Analysis Contest](#) results suggest that New Housing Price Index (MoM) coming out this Thursday will have a bullish impact on the couple, as nearly 70% of traders were bullish on the US dollar.

As concerns technical levels, short and medium term technical indicators do not give much clarity as quite many of them show neutral outlook. However, MACD, AROON and SAR indicators on weekly outlook are suggesting to sell the pair.



nuonrg on USD/CAD



"The pair has got rid of the bears of the past months and is back in a range to decide the direction. The pair had a false break down on 18/19 September, so view is now up. Target is the next price exhaustion at 1.04 with possible spikes up to 1.043."

rokasltu on USD/CAD

"I think the pair will move around recent "magnetic" level 1.03 as in my opinion there will not be any developments which could kick the pair far from mentioned "magnetic" level."

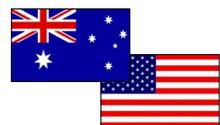
Bullish: 66.7%

votes

Bearish: 33.3%

votes



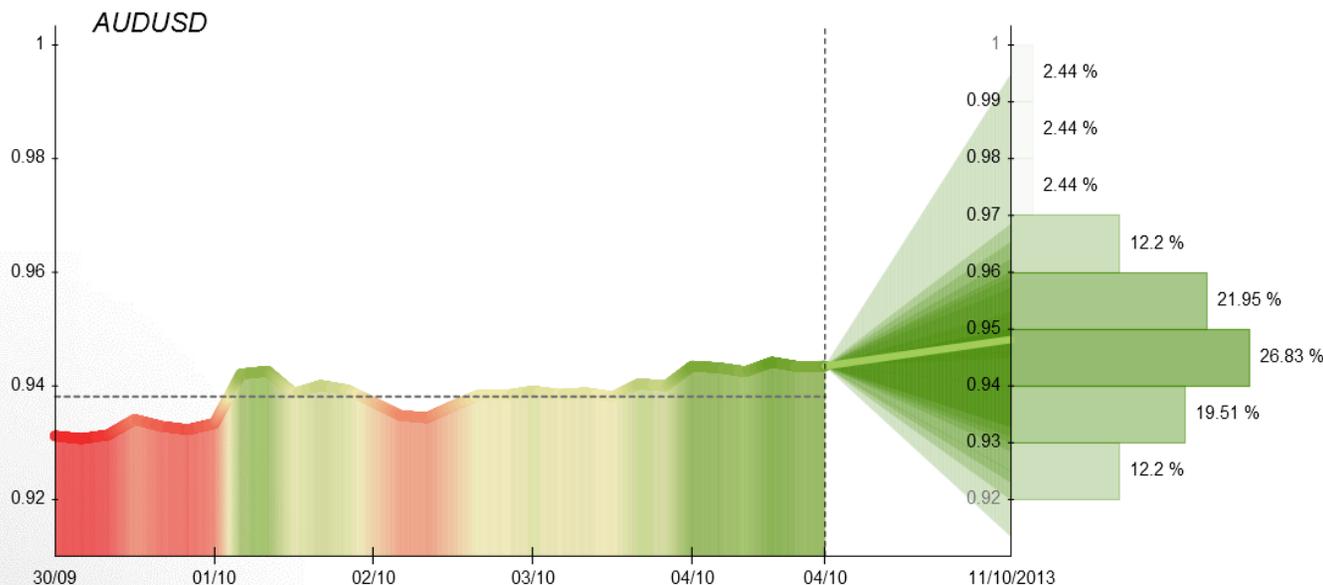


AUD/USD 1W Chart

AUD/USD had a solid week rising 1.54% over the previous five trading days, benefiting from the U.S. shutdown, which hurt the U.S. Dollar. Additionally, the Aussie Dollar got a boost from the Reserve Bank of Australia, which last decided to refrain from cutting the benchmark interest rate, keeping it at record low 2.5% allowing previous cuts to continue working their stimulatory powers on the economy. Moreover, policy makers do not seem overly concerned about the level of the Australian Dollar. The pair touched one-week high at 0.9458 on Friday, 4 October, and closed the week at 0.94408.

The pair is expected to continue its uptrend throughout this week, possibly fetching 0.9481 on 11 October, according to the average forecast of Community members. The current uncertainties over the U.S budget deadlock and possible default of the world's biggest economy, in case a compromise is not reached by 17 October, may be one of the major drivers for the AUD/USD performance in the short-term. Moreover, [Australian unemployment data](#) is due this Thursday, which is expected by the majority of Community members to have a bearish impact on the pair.

AUD/USD has formed a [rising wedge](#) pattern on September 30, and even though there was a false breakout on October 8, strong bullish market sentiment (66%) is bolstering the case bulls will try to break the upper trend line once again. Furthermore, in case the level of 0.9474 is breached, higher prices will come, and the fact pattern has 100% magnitude and 75% quality are meaning traders can expect some significant movements and high volatility. The next stop for long traders could be daily resistance at 0.9485 and weekly resistance around 0.9506.



AdamFx42 on AUD/USD

"AUD seems to be pressured by USD weakness, instead of gaining from it like GBP and EUR, this is because of concerns of US debt ceiling, and the consequent move to other major currencies by investors. As I believe these concerns will remain this week - I see AUD/USD at a high of 0.94 and a low of 0.93 at the end of this week."



marius24 on AUD/USD

"Right now fundamentally speaking Aussie is appreciating versus the Greenback because of government stalemate in USA regarding the government shutdown and also the lack of any support from Republicans to raise the debt ceiling on the 17th October. As long as the lawmakers don't have any solutions, the dollar is set to lose more value against the Aussie. Technically speaking AUD/USD is likely to reach 0.9530 this week and a possible support is seen around 0.9230 level."



YOUR OPINION MATTERS

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

Week's 23.09 - 27.09 Most Precise Forecasts

EUR/USD				EUR/JPY				AUD/USD			
Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD
 Tonio	1.3425	1.345	0.009	 nuonrg	133.3	133.9	0.798	 Tonio	0.93	0.93175	0.001
 vision85	1.34	1.356	0.009	 Juandata	133	135	1.516	 Erialda	0.926	0.94569	0.011
 Erialda	1.348	1.365	0.01	 vision85	132	135	1.631	 becker	0.925	0.946	0.011

*RMSD = Root-mean-square deviation

Dukascopy thanks all the participants!

 AdamFx42
 DumbAsARock
 forastero
 forexgrange
 HOANGMAINHI
 iwan21
 juandata
 khaledalsaadani
 marius24
 nuonrg
 piter44
 risgiantoro
 Roger123
 rokasltu
 swu
 thepipswizzard



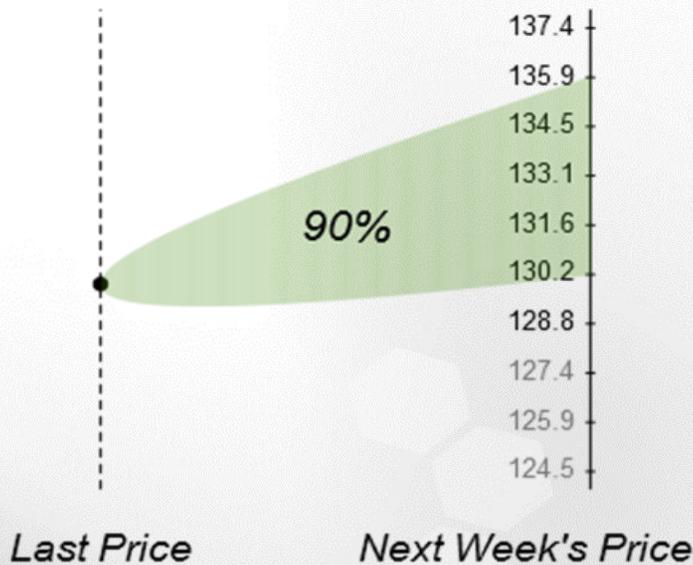
Fundamental Analysis Contest

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

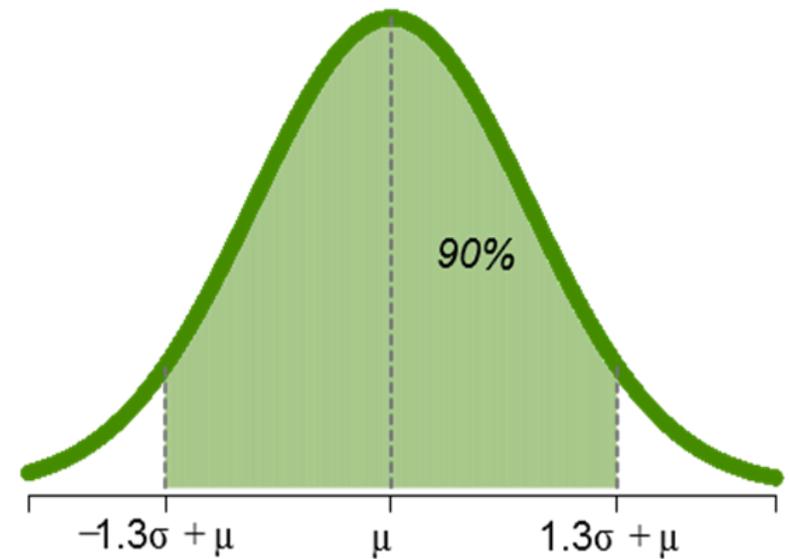
EXPLANATIONS

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.



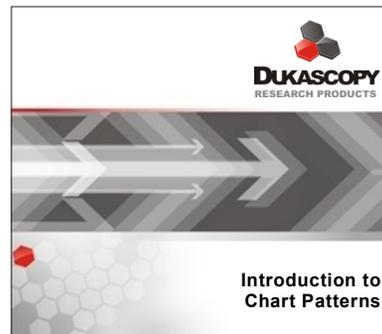
Graph 1: Confidence interval used for “Community Forecasts”



Graph 2: Probability Density Function for a Normal Distribution

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.



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