



DUKASCOPY
RESEARCH PRODUCTS

15/10/2013



Community Forecasts

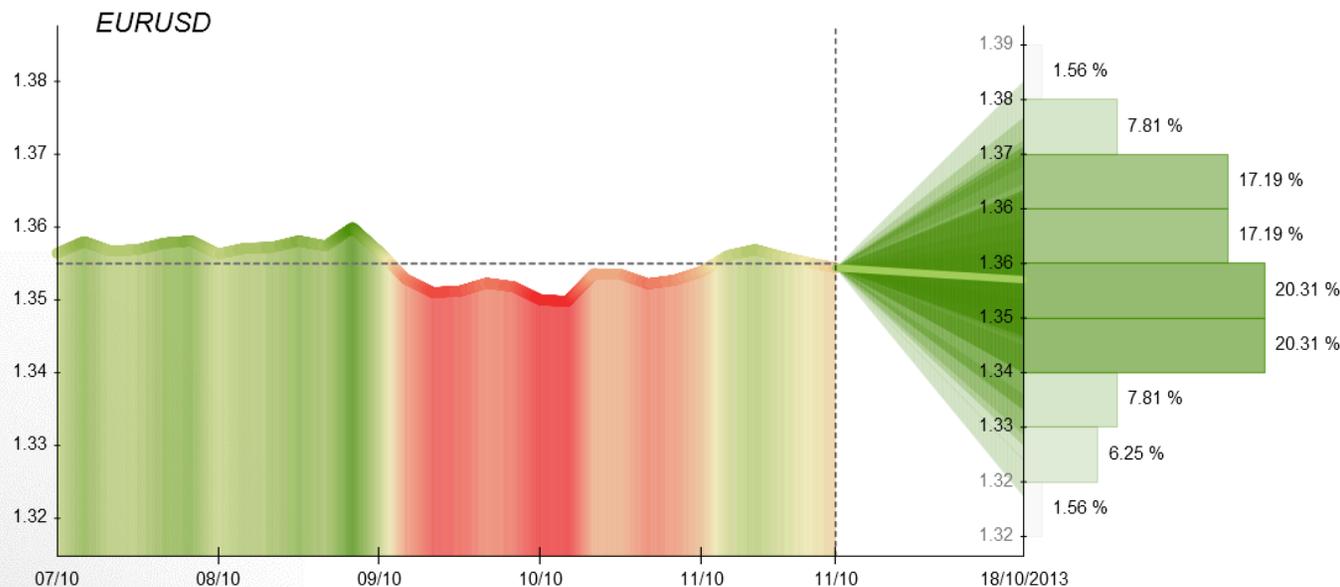


EUR/USD 1W Chart

During the last week the most traded currency pair was bounded in a 120 pips range, with the average weekly price of 1.3549. This week the pair is likely to be highly volatile due to fundamental data and political situation in the United States. Moreover, on Monday the pair has already moved higher almost to the last week's high.

Nevertheless, according to Dukascopy traders, EUR/USD is likely to close at 1.3527 on Friday, October 18, a level slightly lower than the last week's average price. Votes are distributed almost evenly, as there is only a slight majority (52.6%) of bulls. It seems that markets remain in the "wait-and-see" mode, as the October 17 is moving closer. U.S. politicians are running out of time and a possibility of a government default is weighing on investors all over the world. According to trader Vancho, Democrats and Republicans will reach a consensus before the deadline, hence he expects stronger greenback and a possible retest of 1.33 by Friday. While many traders believe we would see a stronger U.S. Dollar in the coming weeks, another part of traders are expecting another move to 1.37. Thepipswizard projects a retest of yearly high of 1.371.

Currently the pair is trading in boundaries of a channel up pattern formed on October 8. As long as the pair is fluctuating in the range between 1.355 and 1.36 we can expect it to remain relatively calm; however, October 17 may become a doomsday for the United States, while a budget deal will push EUR/USD significantly lower (weekly S1- 1.3491). Moreover, [Eurozone current account](#) data and [jobless report](#) will weigh on pair's performance.



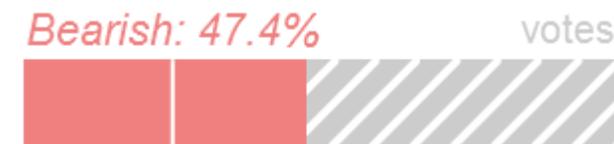
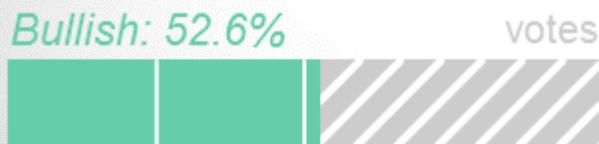
David_ on EUR/USD

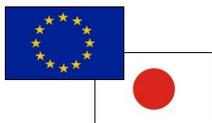
"Since there wasn't a retest on Daily support level of 1,345, price could return and I will see what will happen. If there is going to be a retest, price will go up to next Daily resistance of 1,3645. I will search for bullish opportunities in uptrend."



Nicco on EUR/USD

Currently I'm short on EUR/USD in a trade open just after FOMC minutes and Obama's speech considering that all these actions will make USD stronger. I'm convinced that until 17th October the USD will recover some power."



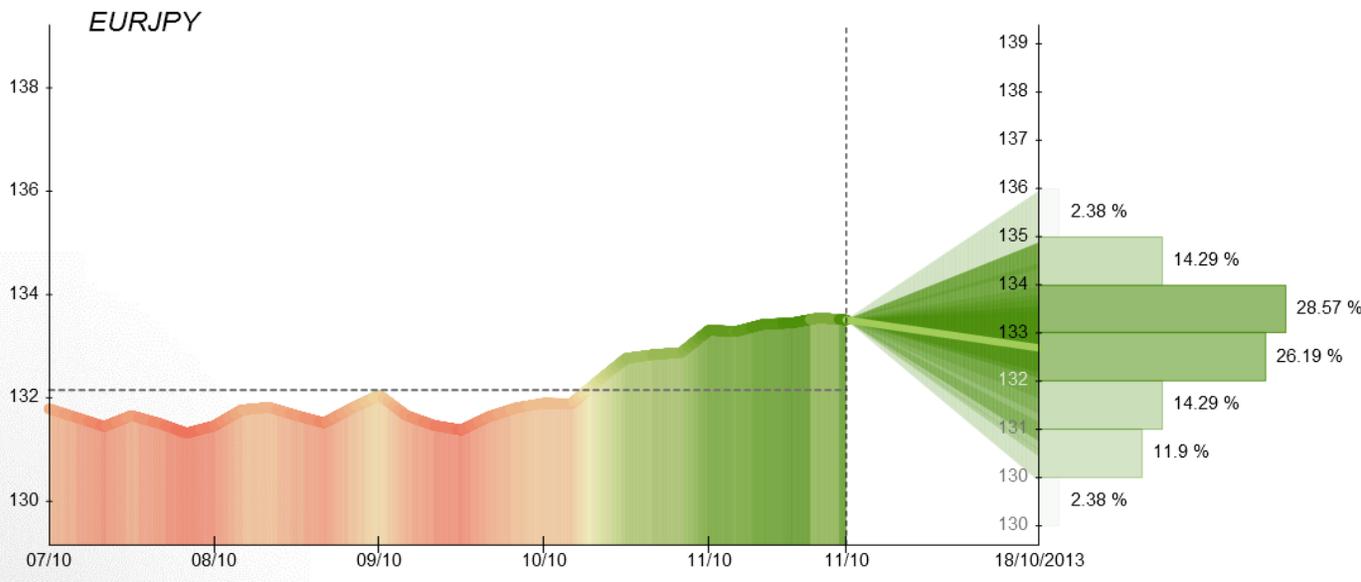


EUR/JPY 1W Chart

After four consecutive “red days”, when EUR/JPY did not manage to break the weekly average price of 133.152, the Euro received a boost at the end of the week. Overall, throughout the previous five trading days the single currency gained almost 1% versus the Japanese Yen and touched one-week high at 133.597 on Friday, October 11.

The pair has been trading in the Channel up pattern since June 13, touching 134.95, the highest level since November 2009. Currently EUR/JPY is approaching this level, trading around 140 pips away from. If the pair continues the uptrend, there should be a quite strong impulse in order to sustain the move upwards. The alternative scenario suggests that in case the pair will start to fall, bears are likely to face difficulties around the 131.5 level.

Community members expect the pair to follow the downtrend and, according to average forecast, to close at 132.96 by Friday, October 18. As the U.S. debt default is looming with no clear resolution in sight, the Japanese Yen, perceiving to be a relative safe haven currency, is facing an increased attention as well as demand from overseas investors. Nevertheless, majority of experts including the Bank of Japan Governor Haruhiko Kuroda does not expect the U.S. default. It is believed that last-minute solution will be found and the U.S. as well as the rest of the world will be saved from drastic consequences of the world’s largest economy’s default. Meanwhile, there is going to be a relatively calm week in Japan as far fundamentals are concerned, with no influential data coming out. Whereas, in the Eurozone a bunch of economic indicators are due to be released.



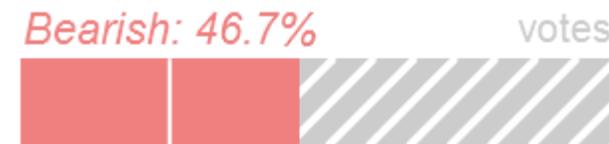
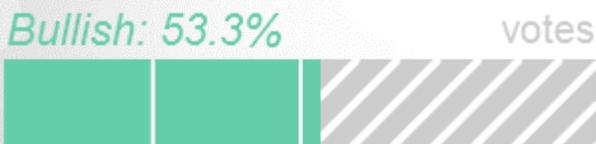
forexresearcher1955 on **EUR/JPY**

"I can definitely say that EURJPY will be bullish in view of the rumor that the BOJ is likely to come up with further QE. If this happens, and coupled with the expected rise of the Euro, it will be a 'double header' for EUR/JPY to be very bullish."



singleboyin on EUR/JPY

This is the 15th month that EURJPY is in uptrend and price is just above 50% retracement level (132.00) of high:-169.95 to low of 93.33. Correction time for EURJPY sooner or later. Bearish butterfly on Weekly, Daily and 4 Hour chart. Major resistance @134.70 and 133.20. This week expecting price stay in between 134.15 to 132.39. No long term down trend yet. Good opportunity to buy at dip."





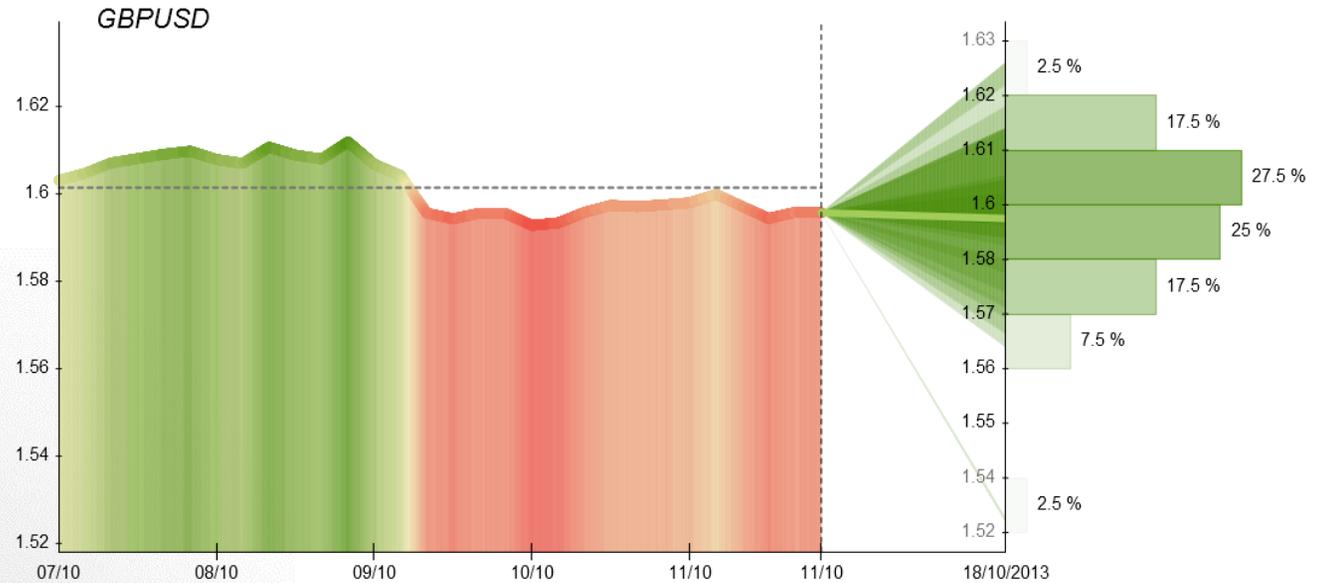
GBP/USD 1W Chart

Last week, the GBP/USD currency pair traded at 1.6014 on average, losing 75.1 pips and closing the week at 1.5964. The pair has retained its bearish trend during the first two trading days this week and was trading at 1.5949 by 9:24 GMT on October 11. The pair appears to have found support around 1.5945 level and is likely to hold it for the next few days. The technical indicators on short-term suggest to sell the pair, while five out of eight indicators point at appreciation of the couple in mid-term.

However, that does not go in line with our trader forecasts, since 62.5% of the surveyed community members are rather bearish on the pair for this week. Our traders see the pair closing at 1.5943 on average on October 18, meaning that the pair would trade below its current level. However, 37.5% still think the couple could trade up to 1.62 level.

76.5% of all participants used technical indicators when forecasting. "David" referred to short-term support at 1.5955 and said to search for bullish opportunities in uptrend, while "singleboyin" suggested to better wait for the price to reach 38.2% Fibonacci Retracement.

Among fundamental news having an impact on the GBP/USD pair, traders are rather bullish on economic data release of [claimant count change](#), as they expect the number of unemployed to fall below estimates, whereas nearly 70% of [Fundamental Analysis Contest](#) participants think that [UK retail sales](#) data will have bearish impact on the currency couple.



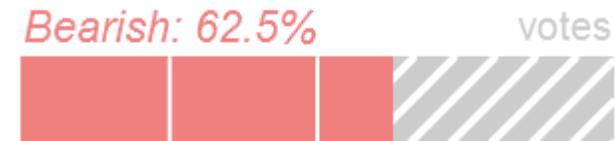
neu_spir8 on GBP/USD

"The pair GBP/USD retraced to a significant Gann line support on both Weekly & Daily and closed just above it, CCI at oversold range, 1.61 as next week resistance, next week range will be 1.59-1.6150."



geula4x on GBP/USD

"GBP/USD seems to be under bearish pressure after last week's weak numbers. August 21 high was previous resistance and should now act as support on any test lower. 1.6000 big round number and October 4th low should cap any move upwards."



YOUR OPINION MATTERS

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

Week's 7.1 - 11.1 Most Precise Forecasts

EUR/CHF				AUD/USD				USD/CAD			
Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD
 forastero	1.226	1.234	0.006	 DANGMAINHI	0.9521	0.9521	0.005	 forexgrange	1.0357	1.0392	0.003
 nuonrg	1.226	1.2316	0.007	 forastero	0.946	0.9591	0.009	 Juandata	1.035	1.04	0.004
 juandata	1.2233	1.2351	0.008	 DumbAsARock	0.94495	0.96	0.009	 DumbAsARock	1.03045	1.0395	0.005

*RMSD = Root-mean-square deviation

Dukascopy thanks all the participants!

	al_dcdemo
	alfamedia
	Awais
	bruce
	David
	David_
	Eco
	EmadJO
	forexreseacher1955
	fxdiler
	geula4x
	keeong
	Magic_FX
	Neu_spir8
	Nicco
	Sheva
	singleboyin
	sonjatrader
	thepipswizzard
	vancho
	webmaster33

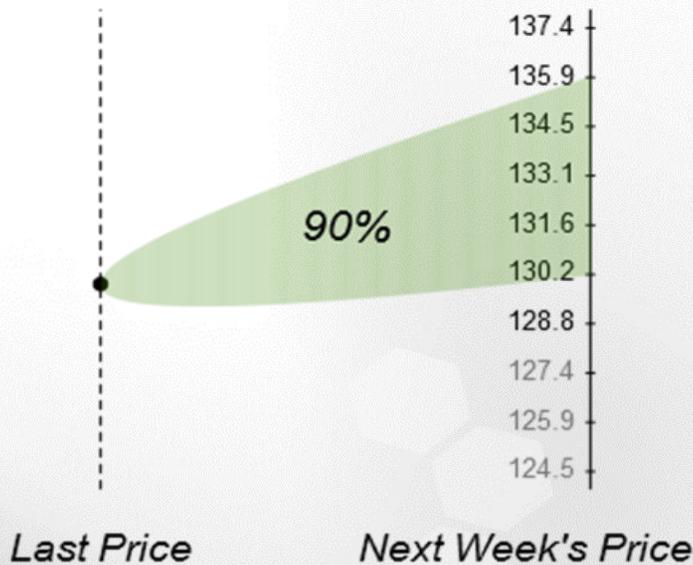


Fundamental Analysis Contest
Do you know how the price will react to the news? Submit your prediction for the price movement direction and win!

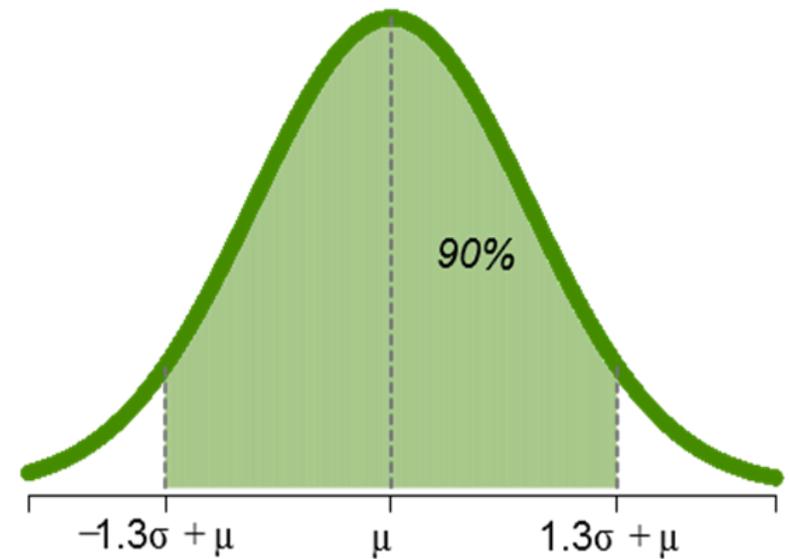
EXPLANATIONS

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.



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.