



**DUKASCOPY**  
RESEARCH PRODUCTS

19/11/2013



# Community Forecasts



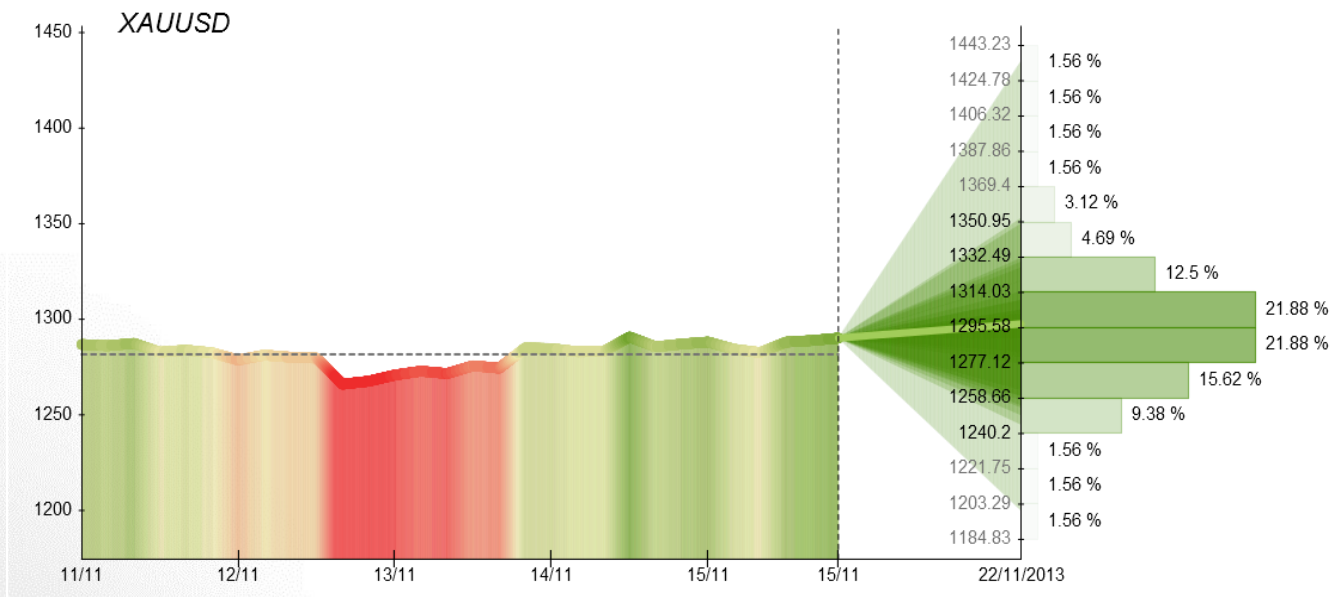
## XAU/USD 1W Chart

XAU/USD opened at 1288.00 last Monday and traded up 0.12% throughout the previous week to finish at 1289.33 on Friday November 15. The couple's price initially dropped to 1261.28, which was also its short-term support. Breaking below this level would increase the possibility to touch October 15 low of 1251. The spot gold reached the highest level on 14 November when it touched 1294.25, while the last week's average trading price was 1281.67.

Moving on into this week the couple is facing bearish pressure from investors, as it closed Monday's session significantly lower, snapping a three-day long streak of gains, since the traders are trying to discern the future action plan of the Fed on the monetary stimulus tapering. Market analysts are of the opinion that gold will stay in a bear market as long as its price is below \$1,300. At the moment of writing the pair was trading at 1272.36.

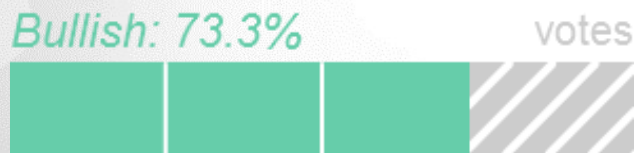
However, our traders are strongly bullish on the pair and according to the average estimate, see the gold trading at 1297.59 by its Friday's close. Geula4x forecasts the pair to continue the upward momentum and test 1320.0 resistance, whereas Bruce thinks that even the Fed's stimulus will not help to gain upside momentum.

As concerns fundamentals events for this week, traders will most likely focus on Ben Bernanke's speech due on Wednesday, as the Fed's Chairman will be discussing the possibility of tapering, which might cause certain volatility in the pair's movements. In addition, several data releases on the U.S. economy are scheduled this week.



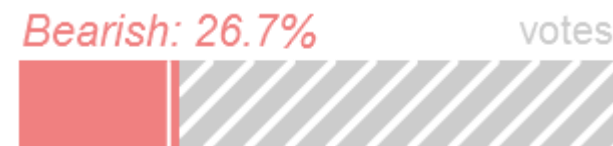
### Marius24 on XAU/USD

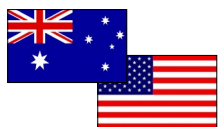
*"Janet Yellen has confirmed her position over monetary policy keeping the ultra ease stance in order to help the fragile US recovery. Technically this fundamental part means that the Dollar is going to lose more value and therefore gold is going to be considered one more time a good place against inflation. There is high chance to see till the end of this week a bullish trend with a possible target around 1332 and with possible support around 1260."*



### Airmike on XAU/USD

*"We can see small pullback on the chart. This pullback will continue in the beginning of the week, but at the end of the week, price will be lower as actual price."*



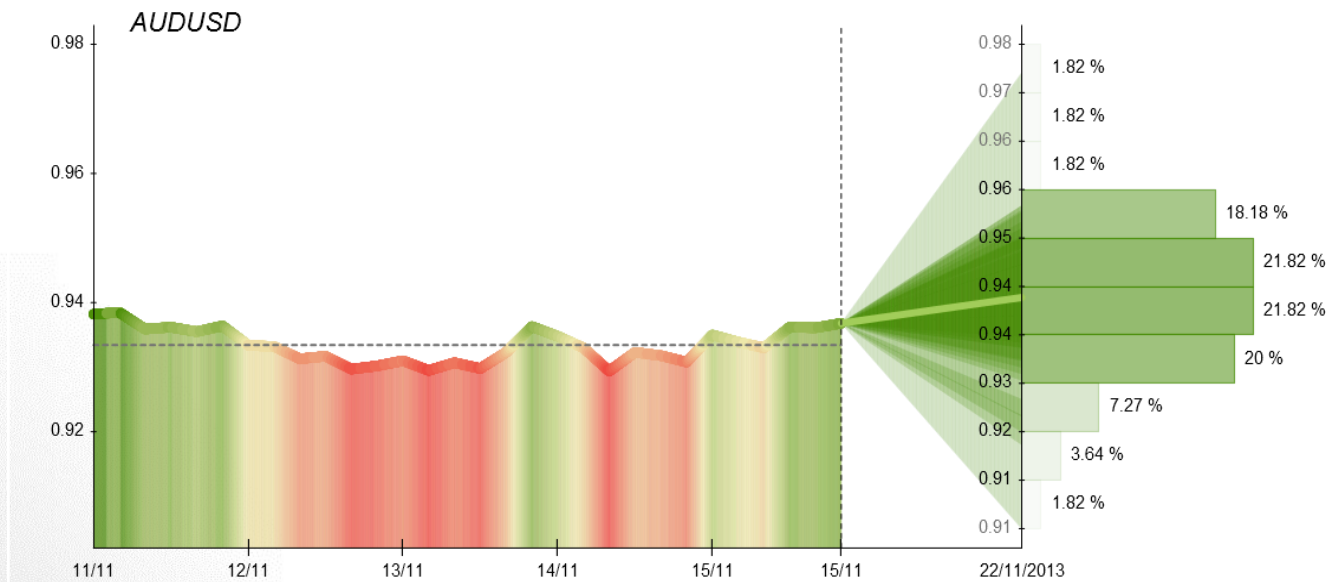


## AUD/USD 1W Chart

The pair has been highly volatile last week, first falling 120 pips and hitting the lowest level since September 11; however, later the pair regained early lost positions. At the moment of writing AUD/USD was trading at 0.939, just couple of pips below the strong resistance of 0.9416. On Monday, November 18, the pair penetrated [pattern's](#) resistance, and 200-hour SMA, meaning higher prices would come. Moreover, 70% of pending orders in a 100 pips range are placed to buy the pair, suggesting bulls would get additional support, and a move toward 0.9536 can be expected.

Our traders also support bullish scenario, as consensus forecast for this Friday stands for 0.9408, significantly higher from the last week's average price of 0.9334. Moreover, 75% of respondents are supporting further appreciation. As the outlook for the pair is bullish, the next key resistance in the short term stands at 0.94. "Initial bias is still sideways for this week, however break above 0.94 will push pair higher towards mild resistance at 0.9528, and break below 0.94 will push pair lower at it's recent low," said Drishti.

From the fundamental part, however, we can expect stronger U.S. Dollar, hence, pair's depreciation. Even though U.S [jobless claims](#) and [manufacturing](#) data may indicate strengthening of the world's largest economy, the key event would be FOMC minutes, where the central bank may shed up the light on possible date of tapering of its stimulus programme.



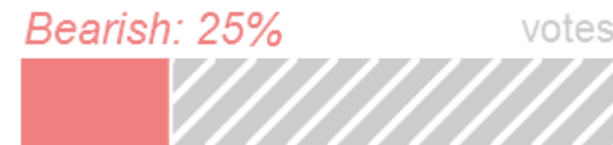
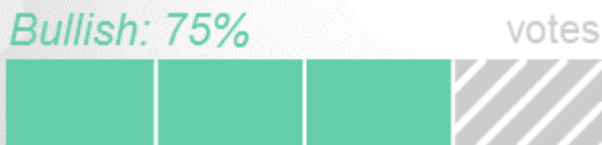
### Keeong on AUD/USD

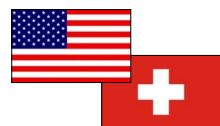
"I see bullish in AUD/USD would be limited by increasing bearish power in Daily, as its opponent pair (EUR AUD) shows the awakening of bullish in medium term. Minimum price is 09459 (fibonacci 38 %), maximum 0.9756 (fibonacci 100 %). In medium term or long term, the bearish trend is not broken yet, so I believe AUD/USD will not pass through 0.9756."



### Wiyonofx on AUD/USD

"This pair try to break support at 0.9280. With unclear direction of the U.S. Dollar, I guess the greenback will strengthen, while the Aussie Dollar will weaken in next weeks."





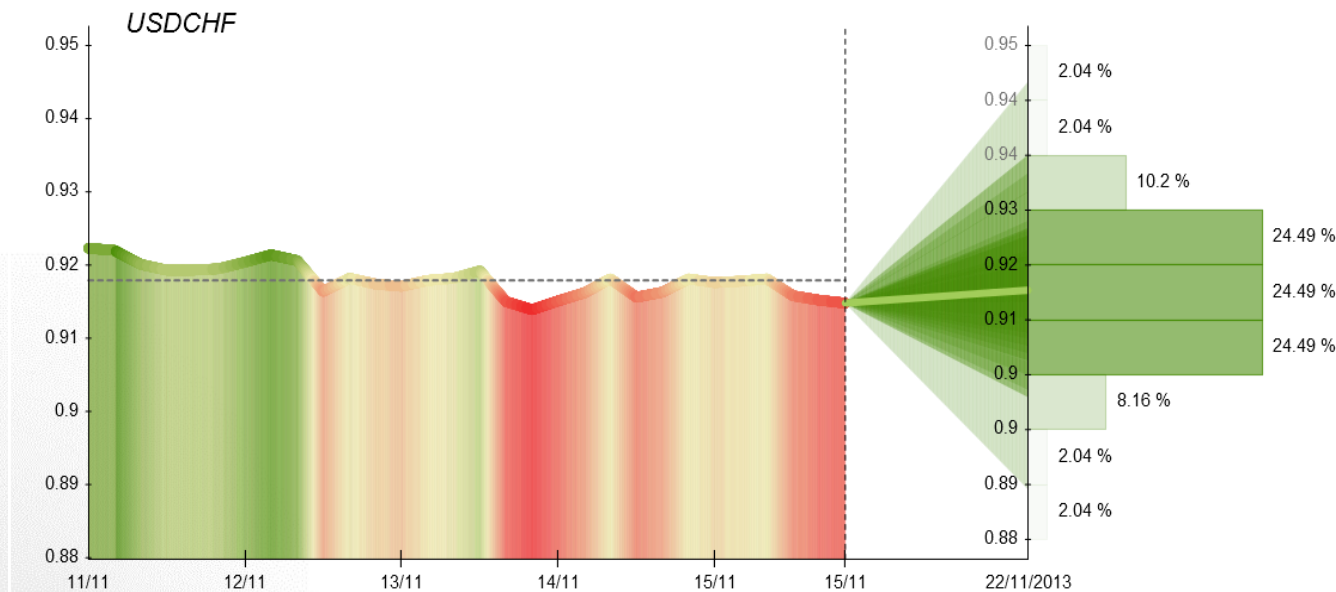
## USD/CHF 1W Chart

USD/CHF has been strongly bearish last week, as the pair lost 135 pips since November 10, and currently is fluctuating around weekly support at 0.9111. The pair's future performance looks clear, when based on technical analysis, and a rebound from the current level seems probable, as vast majority of opened positions (75%) and pending orders (77%) are long, meaning that bulls are likely to push the pair to recent highs, first up to 0.9216 and then to September's high at 0.9250.

Dukascopy community members are also bullish on the pair; however, they are more cautious expressing their opinion, expecting just a slight appreciation of the pair this week. The median forecast for Friday, November 22 stands for 0.9165, with only 56.2% of traders having bullish outlook. Nevertheless, some of traders are having more wild forecasts for the pair, as rokasltu expects USD/CHF to inch higher up to 0.93 later this week.

Ahead of the Federal Reserve meeting the greenback is likely to remain under pressure, that is why the pair is slowly approaching a key support around 0.909. The whole area between 0.915 and 0.909 is acting like a turbulence zone for the pair, as price always stagnates in this range before resuming following the trend.

While technical analysis and the majority of traders are supporting further appreciation of the pair, the Federal Reserve gathering would be the key event for the pair that would determine its future performance.



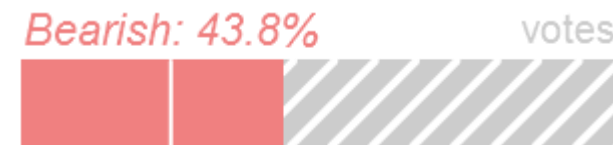
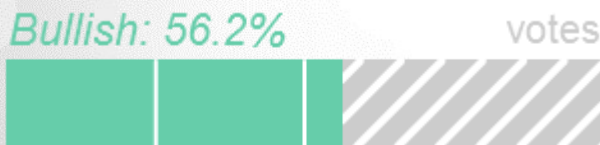
### Sonjatrader on USD/CHF

"As the market debates whether the Taper is still on, the ECB and BoJ are expected to be actively pursuing stimulus. Janet Yellen's testimony has provoked doves, but data will help determine whether the Fed is still in line for a QE cut. Good data for USD."



### Geula4x on USD/CHF










"USD/CHF has moved lower in the last few days and seems ready to continue in the same direction. Recent USD news was disappointing, for example: Trade Balance came out -41.8B, much weaker than -38.7B expected. Also, Unemployment Claims was 339K, more than 331K expected. This suggests further USD weakness against other currencies, including the Swiss Franc."



# YOUR OPINION MATTERS



















*If you are also willing to take part in creation of Community Forecasts product, please write us to [research@dukascopy.com](mailto:research@dukascopy.com)*

Week's 11.11-15.11 Most Precise Forecasts

EUR/USD				GBP/JPY				GBP/USD			
Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD	Nickname	Min	Max	RMSD
 <b>Gereltod</b>	1.3455	1.3528	0.004	 <b>mohands_moslim</b>	159.53	164.12	2.32	 <b>bernny</b>	1.618	1.62	0.007
 <b>rokalstu</b>	1.34	1.345	0.008	 <b>jezz</b>	157.3	159.5	3.276	 <b>jezz</b>	1.598	1.605	0.011
 <b>jezz</b>	1.34	1.345	0.008	 <b>juandata</b>	157.47	158.73	3.444	 <b>aslamhammad</b>	1.59	1.612	0.015

\*RMSD = Root-mean-square deviation

Dukascopy thanks all the participants!

-  **Airmike**
-  **Animator**
-  **bruce**
-  **carpe**
-  **Comenium88**
-  **drishti**
-  **geula4x**
-  **GreyEmin**
-  **Haynes6EU**
-  **keeong**
-  **kmc\_box**
-  **maris24**
-  **MONK**
-  **Nacerdz**
-  **Quotestock**
-  **rokalstu**
-  **sonjatrader**
-  **wiyonofx**

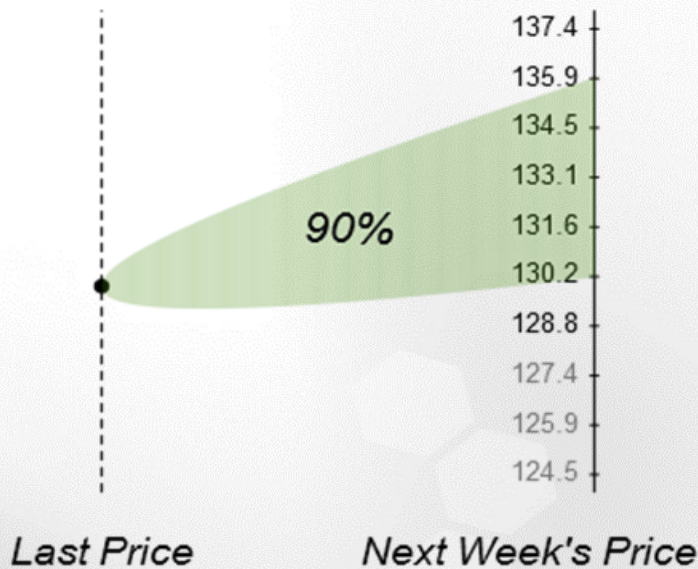


**Fundamental Analysis Contest**  
Do you know how the price will react to the news? Submit your prediction for the price movement direction and win!

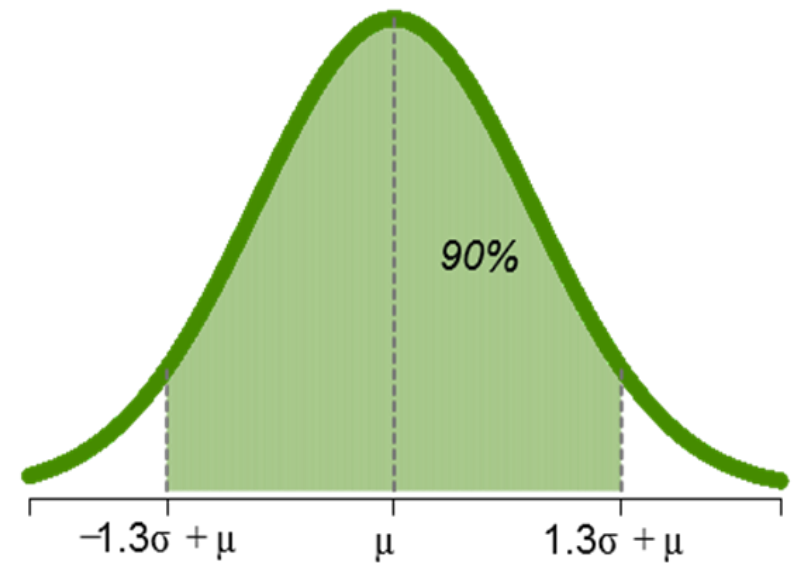
## EXPLANATIONS

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  $\mu$  and standard deviation  $\sigma$  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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