



DUKASCOPY
RESEARCH PRODUCTS

22/08/2014

EUR/USD GBP/USD USD/JPY USD/CHF



Technical Analysis

Friday, August 22, 2014
07:30 GMT

EUR/USD supported by monthly S1



"We are seeing profit-taking ahead of the Jackson Hole speeches by Janet Yellen and Mario Draghi."
- BK Asset Management (based on MarketWatch)




■ Pair's Outlook

After three days of losses EUR/USD has finally found support at 1.3250, represented by the monthly S1 and weekly S3. However, unless the Jackson Hole changes the overall picture fundamentally, the rally is likely to be shallow, given there are now tough resistances at 1.33 and 1.3350. Once the current correction is stopped, the currency pair will be expected to resume moving towards the 2013 September low at 1.31.

■ Traders' Sentiment

While there was no change in the distribution between the long (58%) and short (42%) positions, the share of sell orders placed 50 and 100 pips from the spot price leaped from 54 and 50% to 75 and 69% respectively.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	16%	16%	6%	9%
Orders (±50 pips)	-50%	8%	-18%	-8%
Orders (±100 pips)	-38%	0%	-12%	-9%

Indicator/Period	Day 	Week 	Month 
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Buy	Neutral
ADX (14)	Sell	Sell	Neutral
CCI (14)	Buy	Buy	Neutral
AROON (14)	Sell	Sell	Buy
Alligator (13; 8; 5)	Sell	Sell	Buy
SAR (0.02; 0.2)	Sell	Sell	Sell

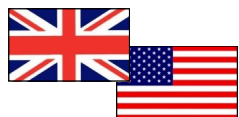
EUR/USD Daily Chart Current price: 1.3292



SUPPORT & RESISTANCE	FORECASTS		
	Q3 14	Q4 14	Q1 15
1.35			
1.34			
1.3380		1.34	1.34
1.3345			
1.3301			
1.3273			
1.32			
1.3151			
1.3103			
	1.3	1.3	
			1.28

	Level	Rationale
■ Resistance 3	1.3380/67	Weekly PP; 20-day SMA
■ Resistance 2	1.3345	Weekly S1; resistance line
■ Resistance 1	1.3301/1.3292	Weekly S2; 2013 Q4 low
■ Support 1	1.3273/66	Weekly S3; monthly S1; Bollinger band
■ Support 2	1.3151	Monthly S2
■ Support 3	1.3103	2013 September low

GBP/USD may reach 2014 low this quarter



"I still like sterling against the euro but with this dollar strength I think the action yesterday and overnight showed you that its worth selling cable into any rally. The dollar is only getting stronger."

- a dealer with one large bank in London (based on Reuters)

Pair's Outlook

The rate of British Pound's depreciation relative to the Dollar decelerated ahead of the support at 1.6550. Nevertheless, the bears should remain the main driving force and eventually push the exchange rate down to this year's low at 1.6250. Though there is a strong intermediate level at 1.6450, formed by the weekly and monthly S3. In the meantime, every attempt of the Sterling to recover is likely to be prevented by 1.67.

Traders' Sentiment

The SWFX market participants are currently net buyers of the Sterling, being that 63% of open positions are long and the remaining 37% are short. As for the orders, there is still no difference between the buy and sell ones.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	26%	30%	22%	22%
Orders (±50 pips)	-8%	18%	-4%	15%
Orders (±100 pips)	0%	4%	4%	15%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Sell
Stochastic (5; 3; 3)	Buy	Buy	Neutral
ADX (14)	Sell	Sell	Buy
CCI (14)	Buy	Buy	Neutral
AROON (14)	Sell	Sell	Buy
Alligator (13; 8; 5)	Sell	Buy	Buy
SAR (0.02; 0.2)	Sell	Sell	Buy

GBP/USD Daily Chart Current price: 1.6584

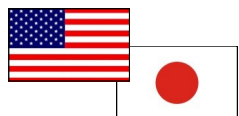


SUPPORT & RESISTANCE	FORECASTS		
	Q3 14	Q4 14	Q1 15
	1.71	1.71	1.7
	1.68		
	1.66	1.67	1.67
		1.63	1.63
	1.6768		
	1.6692		
	1.6645		
	1.6553		
	1.6449		
	1.6249		

	Level	Rationale
Resistance 3	1.6768/39	Weekly PP; monthly S1; 20 and 200-day SMAs
Resistance 2	1.6692	May low
Resistance 1	1.6645/35	Weekly S1; monthly S2
Support 1	1.6553/52	Weekly S2; Bollinger band
Support 2	1.6449/34	Weekly and monthly S3
Support 3	1.6249	2014 low

Friday, August 22, 2014
 07:30 GMT

USD/JPY's upward momentum to be tested by 104



"Anything remotely less dovish than expected from Yellen should lift the dollar, and dollar/yen will be the front-runner there."

- Nordea (based on CNBC)

Pair's Outlook

The U.S. Dollar is getting closer to the last quarter's peak, which is reinforced by the monthly R2 level, and it may prove to be difficult to break, even though most monthly indicators are presently bullish. The July high at 103 will be expected to keep the price afloat, in case there is intensive selling. But once USD/JPY surpasses 104, there will be few doubts the price is going to challenge 2014 high at 105.50 next.

Traders' Sentiment

There are currently slightly more bullish traders (57%) than there are bears, although just a few days the gap amounted to more than 40 percentage points. Concerning the orders, the amounts of buy (49%) and sell ones (51%) are presently equal.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	14%	18%	40%	39%
Orders (±50 pips)	24%	-4%	-8%	3%
Orders (±100 pips)	-2%	-16%	18%	6%

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	Buy	Neutral	Buy
CCI (14)	Sell	Sell	Neutral
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Buy	Sell	Buy
SAR (0.02; 0.2)	Buy	Buy	Buy

USD/JPY Daily Chart Current price: 103.68

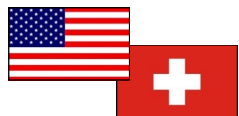


SUPPORT & RESISTANCE	FORECASTS		
	Q3 14	Q4 14	Q1 15
110.72			
		110	110
			108
		106	
105.56	106		
	105		
104.32		104	
103.68			
103.08	103		
102.74			

	Level	Rationale
Resistance 3	110.72	2008 high
Resistance 2	105.56/44	Monthly R3; 2014 high
Resistance 1	104.32/12	Monthly R2; 2014 Q2 high
Support 1	103.68/43	Weekly R3; monthly R1
Support 2	103.08/07	Weekly R2; July high
Support 3	102.74/62	Weekly R1; 20-day SMA

Friday, August 22, 2014
07:30 GMT

USD/CHF hits a ceiling at 0.9150



"Expectation that Fed Chair Janet Yellen's speech will be less hawkish at today's Jackson Hole meeting is triggering a weaker dollar. Investors are adjusting positions."

- Suhyup Bank (based on Bloomberg)




Pair's Outlook

Although the resistance at 0.91 is no longer in the way, now it is 2014 high that is forcing USD/CHF to take a step back. Ideally, the pair should stop retreating and launch yet another attack on 0.9150. But the Buck may need to retreat to 0.90 (up-trend, monthly PP and 55-day SMA) in order to start a recovery capable of extending through this supply area and open a path towards 2013 Nov 7 high at 0.9250.

Traders' Sentiment

The sentiment of traders is now neutral with respect to USD/CHF—only 54% of positions are long. On the other hand, the percentage of orders scattered 50 pips from the spot set to acquire the Greenback soared from 45 to 81%.


Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	8%	8%	42%	39%
Orders (±50 pips)	62%	-10%	42%	27%
Orders (±100 pips)	60%	34%	40%	39%

Indicator/Period	Day 	Week 	Month 
MACD (12; 26; 9)	Sell	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	Buy	Buy	Neutral
CCI (14)	Sell	Sell	Neutral
AROON (14)	Buy	Buy	Sell
Alligator (13; 8; 5)	Buy	Buy	Sell
SAR (0.02; 0.2)	Buy	Buy	Buy

USD/CHF Daily Chart Current price: 0.9105



SUPPORT & RESISTANCE	FORECASTS		
	Q3 14	Q4 14	Q1 15
			0.98
		0.97	
			0.95
	0.94	0.94	
			0.93
0.9266			
0.9176	0.92	0.92	
0.9134			
0.9084			
0.9053			
0.9023	0.9		

	Level	Rationale
Resistance 3	0.9266/51	Monthly R2; 2013 November 7 high
Resistance 2	0.9176/56	Weekly R3; monthly R1; 2014 high
Resistance 1	0.9134/26	Weekly R2; Bollinger band
Support 1	0.9084/75	Weekly R1; 20-day SMA
Support 2	0.9053	Weekly PP
Support 3	0.9023/00	Weekly S1; monthly PP; up-trend; 55-day SMA

EXPLANATIONS

Signals

- **Buy** – the pair shows a clear uptrend
- **Sell** – the pair shows a clear downtrend
- **Neutral** – no specific trend for the pair

Chart

- **SMA (55)** – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

Indicators

- **MACD** – Moving average convergence divergence – momentum indicator
- **RSI** – Relative strength index – compares the magnitude of recent gains to recent losses in attempt to determine ‘overbought’ and ‘oversold’ conditions of the asset
- **Stochastic** – technical momentum indicator that compares a currency pair’s closing price to its price range over a given time period
- **ADX** – Average directional index – trend strength indicators
- **CCI** – oscillator used in technical analysis to help determine when a currency has been overbought or oversold
- **SAR** – trending indicator – shows the direction of a trend
- **AROON** – measures strength of a trend and likelihood that it will continue
- **Alligator** – trending indicator demonstrates presence of a trend and its direction

Forecasts

Third Quartile – separates 25% of the highest forecasts



Second Quartile – the median price based on the projections of the industry

First Quartile – separates 25% of the lowest 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.