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RESEARCH PRODUCTS

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EUR/USD GBP/USD USD/JPY XAU/USD



Technical Analysis

EUR/USD: another session with no visible leader



"The risk-off environment has a tendency to drive euro higher."

- Bank of Montreal (based on Bloomberg)

Pair's Outlook

Neither the bulls nor bears have again gained any leadership in terms of driving the EUR/USD currency pair. It traded in a wide range between 1.0945 and 1.0830 yesterday, but nobody managed to close the session any near both of these levels. The pair keeps hovering slightly above 1.0860 today, while positive US fundamentals later in the day should expose 1.08 (55-day SMA; monthly PP), which used to be a reliable support earlier this week. A negative surprise, however, could result in a climb above the two-month trend-line at 1.09.

Traders' Sentiment

The share of long traders bounced back to 45% by Friday morning. Commands to sell the Euro against the Buck in 50 and 100-pip ranges were pushed as high as 61% and 54%, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-10%	-8%	-12%	-12%
Orders (±50 pips)	-22%	4%	-20%	-11%
Orders (±100 pips)	-8%	6%	2%	-10%

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

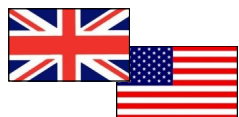
EUR/USD Daily Chart Current price: 1.0880



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.1046			
1.0989			
1.0901			1.1
1.0872			
1.0824	1.08	1.08	
1.0774			
	1.05	1.05	1.05
	1.03		
			1.02
		1.01	

Level	Rationale
Resistance 3: 1.1046	200-day SMA
Resistance 2: 1.0989/1.1009	Bollinger band; 100-day SMA; weekly R1
Resistance 1: 1.0901	Downtrend
Support 1: 1.0872/60	20-day SMA; weekly PP
Support 2: 1.0824/08	55-day SMA; monthly PP; July 2015 low
Support 3: 1.0774/55	Weekly S1; Bollinger band

GBP/USD to steer away from 1.44



"In the current environment however, with investors becoming increasingly worried about the impact of the slowdown in China, concerns over the UK economy and the risk of a 'Brexit' look likely to continue to haunt sterling."
- HiFX (based on Business Recorder)

Pair's Outlook

The Sterling's recent rally against the US Dollar was reduced to zero, with the weekly S1 ultimately holding the gains at 1.4414. The pair remains stuck between the weekly S1 and the monthly S2, while disappointments in today's US fundamentals could cause a breakout to the upside. The second level to limit the losses lies at 1.4567, but it will be difficult to reach. Contrariwise, the Greenback could receive another boost and push the Pound even lower towards the 2010 low at 1.4230, despite the monthly S1 being able to keep the Cable from declining through all of the week.

Traders' Sentiment

Both long positions and purchase orders remain unchanged today, taking up 63% and 43% of the market, respectively.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	26%	26%	28%	25%
Orders (±50 pips)	8%	2%	64%	11%
Orders (±100 pips)	-14%	-14%	38%	2%

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

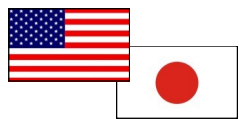
GBP/USD Daily Chart Current price: 1.4405



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1.5600		1.56	1.56
1.5429	1.55		
1.5258			1.52
1.5086	1.51	1.51	
1.4915	1.49		
1.4744		1.48	
1.4573			1.47
1.4401			
1.4230			

Level	Rationale
Resistance 3: 1.4615	Weekly PP
Resistance 2: 1.4567	Monthly S1
Resistance 1: 1.4414	Weekly S1
Support 1: 1.4390	Monthly S2
Support 2: 1.4332/06	Bollinger band; weekly S2
Support 3: 1.4230	2010 low

USD/JPY struggles to preserve the up-trend



"The safe haven appeal of the yen is likely to keep it in demand in the week ahead as global investor risk sentiment is likely to remain fragile."

- Bank of Tokyo-Mitsubishi UFJ (based on WBP Online)

Pair's Outlook

A strong reading of yesterday's US Import Prices helped the USD/JPY pair to preserve the up-trend and stabilise at the highest level this week. The Buck, however, struggled to climb over the weekly PP, which acted as the immediate resistance and limited the volatility. A breakout of the current trading range is expected, with the bearish trend prevailing. Nevertheless, the immediate support in face off the up-trend and the monthly S2 around 117.70 remains strong, which in turn could even cause a rebound and a breach of the weekly PP at 118.30. Technical studies, on the other hand, retain bearish signs.

Traders' Sentiment

Today 62% of traders hold short positions, whereas sell orders outnumber the buy ones by only 2% points (previously 4% points).

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	-24%	-22%	-16%	-19%
Orders (±50 pips)	44%	-10%	-20%	-1%
Orders (±100 pips)	-2%	-4%	-14%	2%

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

USD/JPY Daily Chart Current price: 117.81



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
			128
	127	127	
	125	125	125
		123	
	122		122

	Level	Rationale
■ Resistance 3	119.35/38	20-day SMA; weekly R1
■ Resistance 2	118.93	Monthly S1
■ Resistance 1	118.30	Weekly PP
■ Support 1	117.72/63	Up-trend; monthly S2
■ Support 2	116.56	Bollinger band
■ Support 3	116.14/115.85	Weekly S1; 2015 low

Gold's decline is repeatedly stopped by 55-day MA



"The positive move in global equity markets is bearish for gold."

- Shandong Gold Group (based on CNBC)

Pair's Outlook

Bearish sentiment dominated in the market on Thursday, being that gold slumped below 1,075 for the first time in eight trading days. Eventually prices, which started depreciating from the weekly PP at 1,092, were contained by 55-day SMA at the end of US session. Early in the Asian session on Friday we are observing some mild gains, meaning the moving average is holding strong for the moment. Short-term bullish case is expected by daily technical indicators, but any positive surprise from US statistics later today could put at risk any recovery and expose the area below yesterday low of 1,071.50.

Traders' Sentiment

Price losses that occurred yesterday used to have a positive impact on the SWFX market sentiment. The decline encouraged somewhat move purchases of the safe haven metal, as the percentage of "buy" open positions rose to 56% from 55%.

Net Sentiment	Last	1 day ago	5 days ago	10-day avg.
Open Positions	12%	10%	10%	9%

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

XAU/USD Daily Chart Current price: 1080.60



SUPPORT & RESISTANCE	FORECASTS		
	Q1 16	Q2 16	Q3 16
1250			
1206		1200	
1125			1125
1100	1100		
1071			
1048			
1037			

Level	Rationale
Resistance 3: 1,098	Sep 2015 low
Resistance 2: 1,092	Weekly PP
Resistance 1: 1,081/84	20-day SMA; monthly R1
Support 1: 1,078	55-day SMA
Support 2: 1,072	Weekly S1
Support 3: 1,065	Monthly PP

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



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