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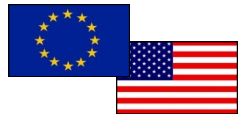
22/07/2016

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



# Technical Analysis

# EUR/USD slightly surges on Thursday



*“USDollar's breakout earlier this week has stalled and failed to gain broad conviction necessary for trend”  
– based on Daily FX*

## Pair's Outlook

The Euro was volatile between the levels of 1.1060 and 1.0980 during Thursday's session against the US Dollar. Most of the volatility was caused by the ECB rate decision and the afterwards press conference. However, it did not change the fact that by the end of the day's trading session the currency exchange rate had moved from 1.1013 to 1.1025, which was a small surge. The surge occurred due to the pair rebounding against the lower Bollinger band in the morning of Thursday. The rate continues to slowly increase on Friday morning, as it had reached 1.1030 level by 5:00 GMT.

## Traders' Sentiment

SWFX trader sentiment has not changed on Friday, as 51% of open positions remain long. In the meantime, pending orders in the 100-pip range are still short, as 57% of pending commands are short.

Sentiment	Today	Yesterday	5 days ago
Positions	2%	2%	0%
Orders	-14%	-24%	-30%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Sell
ADX (14)	Neutral	Neutral	Neutral
CCI (14)	Neutral	Buy	Neutral
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Sell	Neutral	Sell
SAR (0.02; 0.2)	Sell	Sell	Buy
Aggregate	↘	→	→

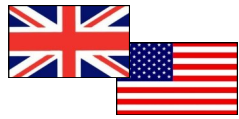
EUR/USD Daily Chart Current price 1.1028



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.1192			
1.1124			
1.1070			
1.1003	1.1	1.1	1.1
1.0975			
1.0921			
1.0815	1.08		
1.0700		1.07	1.07

Level	Rationale
R3	1.1192/1.1236 55 and 100-day SMA; weekly R2
R2	1.1124/66 Monthly PP; weekly R1; Bollinger band
R1	1.1070/85 20 and 200-day SMAs; weekly PP
S1	1.1003 Bollinger band
S2	1.0975 Weekly S1
S3	1.0921 Weekly S2;

# GBP/USD attempts to remain above 1.32



*"Going forward we expect ... sterling to decline on the back of weaker data, BoE easing and tough and long-lasting UK-EU Brexit talks."*  
- ABN Amro (based on Business Recorder)

## Pair's Outlook

The GBP/USD currency pair remained relatively unchanged yesterday, having inched only 24 pips higher, amid mixed UK fundamental data results. However, the Cable opened on top a relatively strong support, represented by the 20-day SMA and the weekly PP, which should keep the Pound elevated. Even with better-than-expected fundamentals today, the UK currency is unlikely to climb over the 1.34 major level, leaving the immediate resistance around 1.3485 intact. On the other hand, we should not rule out the possibility of the bearish development prevailing, due to technical indicators in the daily timeframe giving bearish signals. The key bottom target is the 1.31 psychological level.

## Traders' Sentiment

Today 58% of all open positions are long, compared to 57% yesterday. Meanwhile, the share of sell orders dropped from 69 to 53%.

Sentiment	Today	Yesterday	5 days ago
Positions	16%	14%	12%
Orders	-6%	-38%	-22%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Neutral	Buy	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Sell
ADX (14)	Sell	Sell	Neutral
CCI (14)	Neutral	Buy	Buy
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Sell	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Buy
Aggregate	↘	→	→

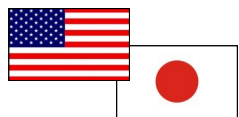
GBP/USD Daily Chart Current price 1.3245



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.51	1.53	1.53	
1.46	1.49	1.49	
1.42	1.45		1.43
1.4001			
1.3805			
1.3476			
1.3185			
1.2895			
1.2619			

Level	Rationale
R3 1.4001	55-day SMA
R2 1.3805/19	Weekly R2; monthly PP
R1 1.3476/98	Weekly R1; Bollinger band
S1 1.3185/75	20-day SMA; weekly PP
S2 1.2895/1.2756	Bollinger band; weekly S1; trend-line
S3 1.2619/1.2544	Monthly S1; weekly S2

# USD/JPY on the edge of sustaining more losses



*"The dollar continues to benefit from the strength in U.S. equities, which have gone a head above their global peers and are attracting money thanks to high dividends, with strong earnings also helping. This has resulted in 'risk on', sustaining the dollar's rise against the yen."*

- IG Securities (based on Reuters)

## Pair's Outlook

The Japanese Yen overperformed on Thursday, as the USD/JPY currency pair dropped to the 105.80 level, rather than finding support at 106.00. Nevertheless, the anticipated decline took place, leaving the Greenback under a set of resistances once again. The 38.20% Fib and the 55-day SMA are now likely to prevent the Buck from edging higher, with risks of the 105.00 major level getting pierced again present. Despite the negative outlook, technical indicators in the daily timeframe retain bullish signals, but yesterday's losses are unlikely to be erased completely even if bulls manage take over.

## Traders' Sentiment

Bears are now in the majority, but taking up only 51% of the market (previously 50%). The number of sell orders also takes the larger part of the market, namely 52%, compared to 45% on Thursday.

Sentiment	Today	Yesterday	5 days ago
Positions	-2%	0%	2%
Orders	-4%	10%	8%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Buy	Sell	Sell
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell
Aggregate	↗	↘	↘

USD/JPY Daily Chart Current price 105.94



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
116	119	119	
112	115	115	
109	110		111
108.25			
107.30			
106.30			
104.36			
101.52			
100.72			

Level	Rationale	
R3	108.25	100-day SMA
R2	107.30/48	Weekly R1; Bollinger band
R1	106.30/65	55-day SMA; 38.20% Fib
S1	104.36/103.67	Weekly and monthly PPs; 20-day SMA
S2	101.52	Weekly S1
S3	100.72	50.0% Fib

# Gold returns back to 1,330 level on Thursday



*“Gold prices were little changed in North American trade on Thursday, staying close to a three-week low hit overnight as market players digested mixed U.S. data and comments from European Central Bank President Mario Draghi.”*  
– based on investing.com

## Pair's Outlook

The yellow metal was trading flat at the start of this week, as it slightly fluctuated around the 1,330 level on Monday and Tuesday. However, the metal fell on Wednesday to around the level of 1,312, which seemed to indicate at the bullions new direction. Although, on Thursday gold surged back to 1,330 level, and it continues to be close by it, as the metal was trading at exactly 1,327.40 by 5:15 GMT. It seems that the commodity is most likely to continue to trade flat, as daily aggregate technical indicators forecast no change for it today.

## Traders' Sentiment

Traders remain neutral on the yellow metal, as 50% of open SWFX positions are long on Friday. In the meantime, pending orders in the 100-pip range are 67% long.

XAU/USD Daily Chart Current price 1326.98



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1384.00			
1358.00			
1343.95			
1327.05			1325
1312.88			
1295.00			
	1250	1250	
	1220		
		1200	1200
	1155	1150	1150

Sentiment	Today	Yesterday	5 days ago
Positions	0%	0%	-2%
Orders	34%	44%	26%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Buy	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Sell
ADX (14)	Sell	Neutral	Neutral
CCI (14)	Neutral	Neutral	Sell
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Neutral	Buy	Buy
SAR (0.02; 0.2)	Sell	Buy	Buy
Aggregate	→	↗	↗

Level	Rationale
R3	1,384/99 Monthly R1; 2014 high; weekly R2
R2	1,358/67 Bollinger band; Weekly R1
R1	1,343.95 Weekly PP
S1	1,327.05 20-day SMA
S2	1,312.88 Weekly S1
S3	1,295/86 Monthly PP; weekly S2; 55-day SMA; Bollinger band

# 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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