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



Technical Analysis

EUR/USD breaks out of pattern on Wednesday



"Seesaw price action since the beginning of the week seems to reflect pre-positioning ahead of a much-anticipated speech from Fed Chair Janet Yellen at the Jackson Hole Symposium on Friday."

– Ilya Spivak, Currency Strategist (based on Daily FX)

Pair's Outlook

The common European currency had been trading against the US Dollar in a channel upward pattern since July 4, and the pair broke out of the pattern on early Wednesday morning. The currency exchange rate reached the monthly R2 at 1.1353 on Tuesday, as it was forecasted. However, the rate bounced off the monthly R2 and began a decline. At the moment, it is most likely that the currency pair will continue to fall until it reaches the weekly PP at 1.1281 and monthly R1 at 1.1263, which will provide support.

Traders' Sentiment

SWFX traders mark the third consecutive session of unchanged bearishness, as 63% of open positions are short on Wednesday morning. In the meantime, pending commands are 55% short.

EUR/USD Daily Chart Current price 1.1337



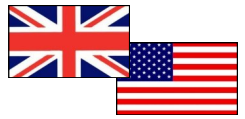
SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.1493			
1.1395	1.14	1.14	1.14
1.1353			
1.1281			
1.1226			
1.1158			
1.1	1.1	1.1	1.1
1.08			
	1.07	1.07	

Sentiment	Today	Yesterday	5 days ago
Positions	-26%	-26%	-26%
Orders	-10%	-8%	-14%

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

	Level	Rationale
■ R3	1.1493/1.1508	Weekly R2; monthly R3
■ R2	1.1390/1.1407	Bollinger band; weekly R1
■ R1	1.1353	Monthly R2
■ S1	1.1281/63	Weekly PP; monthly R1
■ S2	1.1224/1.1195	20 and 100-day SMA; weekly S1
■ S3	1.1155	55-day SMA

GBP/USD to make a U-turn



“Despite the already meaningful fall, and very cheap valuation levels, we still look for more sterling downside in coming months, both against the euro and the dollar.”
- ING (based on Business Recorder)

Pair's Outlook

The US Dollar was dragged down by a poor reading of the Manufacturing PMI on Tuesday, allowing the Sterling to take the upper hand and breach the monthly PP resistance level. As a result, the Cable reached the 1.32 major level, where supply was sufficient to limit the rally. The GBP/USD pair is now expected to make a U-turn, ignoring the monthly PP, which is now providing support. Potentially, the bearish momentum today could last until the Pound touches the 20-day SMA on top of the 1.31 mark, although a close around 1.3140 is the base case scenario.

Traders' Sentiment

Bears are now in the majority, taking up 53% of the market, compared to 46% on Tuesday. Meanwhile, the portion of orders to sell the Cable increased from 59 to 61%.

Sentiment	Today	Yesterday	5 days ago
Positions	-6%	8%	14%
Orders	-22%	-18%	-18%

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

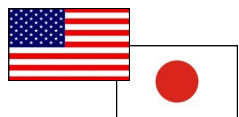
GBP/USD Daily Chart Current price 1.3160



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.53	1.53	1.53	
1.51	1.49	1.49	
1.46	1.45	1.43	
1.42			

	Level	Rationale
■ R3	1.3413	55-day SMA
■ R2	1.3222/64	23.60% Fibos; Bollinger band; weekly R2
■ R1	1.3222	Weekly R1
■ S1	1.3170	Monthly PP
■ S2	1.3106	20-day SMA
■ S3	1.3044	Weekly PP

USD/JPY on the edge of falling under 100.00



"The currency market remains highly skeptical of any Fed tightening and the greenback remains under pressure across the board."

- BK Asset Management (based on Business Recorder)

Pair's Outlook

The Greenback managed to remain above the 100.00 major level on Tuesday, ultimately closing with an eight-pip loss. The US Dollar is expected to be exposed to more weakness today, as price once again opened just under the weekly PP, where supply is strong. However, the 100.00 mark remains a tough support, which will be difficult to pierce. Provided there is sufficient impetus, the USD/JPY currency pair could fall towards 98.75, where the weekly S2, the monthly S1 and the Bollinger band form an even stronger demand area. Technical indicators are bolstering the possibility of the negative outcome today, as they retain bearish signals.

Traders' Sentiment

Both bullish market sentiment and the share of buy orders remain unchanged, taking up 67% and 54% of the market, respectively.

Sentiment	Today	Yesterday	5 days ago
Positions	34%	34%	30%
Orders	8%	8%	10%

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

USD/JPY Daily Chart Current price 100.19



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
116		119	119
112		115	115
109		110	111
102.32			
101.27			
100.41			
99.36			
98.88			
97.45			

	Level	Rationale
■ R3	102.32	Weekly R2
■ R2	101.28.34	Weekly R1; 20-day SMA
■ R1	100.41	Weekly PP
■ S1	99.37	Weekly S1
■ S2	98.97/50	Monthly S1; Bollinger band; weekly S2
■ S3	97.45	Weekly S3

Gold continues to fall on Wednesday



“Gold price bounced off the 61.8% Fibonacci retracement and is back testing the broken triangle area at \$1,340-50.”
- Alexandros Yfantis, portfolio manager and trader (based on investing.com)

Pair's Outlook

The yellow metal is in its fourth consecutive session of losses, as it continues to bounce around the 1,340 level. The metal is forced to move downwards due to the fact that the 20-day SMA at 1,339.79 is pressuring it to move lower. However, it can only continue up to the moment, when the bullion reaches the support level below at 1,331.76, which is represented by the weekly S1. In the previous two sessions, the metal bounced between the newly formed weekly S1 and a compound resistance made up of the weekly and monthly pivot points near the 1,345 level.

Traders' Sentiment

Traders continue to be bearish on the yellow metal, as 53% of open positions are short on Wednesday. In the meantime, pending commands are 57% long.

Sentiment	Today	Yesterday	5 days ago
Positions	-6%	-4%	-4%
Orders	14%	18%	4%

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

XAU/USD Daily Chart

Current price 1337.81



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1367.15			
1354.00			
1340.00			
1331.76			
1325.00			1325
1315.00			
	1250	1250	
	1220		
		1200	1200
	1155		
		1150	1150

Level	Rationale
R3	1,367.15 Weekly R2
R2	1,354/57 Weekly R1; Bollinger band
R1	1,340/45 20-day SMA; weekly and monthly PPs
S1	1,331.76 Weekly S1
S2	1,327/22 55-day SMA; Bollinger band; weekly S2
S3	1,315/09 Monthly S1; weekly S3

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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