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



# Technical Analysis

# EUR/USD rebounds at 1.1263 on Thursday



*“The euro-area economy showed little sign of impact from the U.K.'s decision to leave the European Union with a second month of gains in the Purchasing Managers Index to 53.3 in August.”*

– based on Bloomberg

## Pair's Outlook

On Thursday morning the currency exchange rate found support in the monthly R1 at 1.1263 and slightly rebounded. However it faces the weekly PP at 1.2806 from the upside, which might mean a flat trading session for the rate during today's trading session. However, afterwards it is most likely going to surge, as the SMAs approach from the south. Previously the common European currency depreciated against the US Dollar on Wednesday to such an extent that it fully discarded the previous pattern.

## Traders' Sentiment

SWFX traders have slightly decreased the bearish sentiment, as 61% of open positions are short on Thursday, compared to 63% the previous session. In the meantime, pending commands are 55% short.

EUR/USD Daily Chart Current price 1.1275



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.1384	1.14	1.14	1.14
1.1353			
1.1281			
1.1263			
1.1223			
1.1154			
	1.1	1.1	1.1
1.08			
	1.07	1.07	

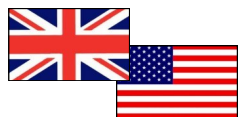
Sentiment	Today	Yesterday	5 days ago
Positions	-22%	-26%	-26%
Orders	-10%	-10%	-8%

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

	Level	Rationale
■ R3	1.1384/1.1407	Bollinger band; weekly R1
■ R2	1.1353	Monthly R2
■ R1	1.1281	Weekly PP
■ S1	1.1263	Monthly R1
■ S2	1.1223/1.1195	20 and 100-day SMAs; weekly S1
■ S3	1.1154	55-day SMA

# GBP/USD in limbo ahead of US data



*“The strength of post-Brexit data, much monetary easing already priced into the rates market and a generally weak dollar should allow pound to rally towards \$1.3450.”*  
- Morgan Stanley (based on Business Recorder)

## Pair's Outlook

The Sterling appreciated against the US Dollar for the third consecutive day yesterday, but with each rally being smaller than the preceding one, suggesting that a reversal is due. Stronger US fundamentals could trigger a Cable sell-off today, with the exchange rate returning under the 1.32 major level. However, technical studies are unable to confirm this outlook, as they retain mixed signals, but a possibility certainly exists. In case of a bearish development, the nearest significant support will be the monthly PP at 1.3170. Contrariwise, disappointing US data might only further strengthen the given pair, providing an opportunity to reclaim the 1.33 mark.

## Traders' Sentiment

Today 56% of all open positions are short (previously 53%). Meanwhile, the share of sell orders declined from 61 to 56%.

Sentiment	Today	Yesterday	5 days ago
Positions	-12%	-6%	8%
Orders	-12%	-22%	-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	→	↘	→

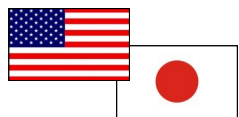
GBP/USD Daily Chart Current price 1.3223



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.3647		1.53	1.53
1.3542		1.49	1.49
1.3322		1.45	1.43
1.3222			
1.3170			
1.3111			

	Level	Rationale
■ R3	1.3647	38.20% Fib
■ R2	1.3542/43	Weekly R3; monthly R1
■ R1	1.3322/92	23.60% Fib; Bollinger band; weekly R2; 55-day SMA
■ S1	1.3222	Weekly R1
■ S2	1.3170	Monthly PP
■ S3	1.3111	20-day SMA

# USD/JPY muted in anticipation of fundamental data



*"It [a recovery towards 102.00] probably won't happen on the back of Yellen's comments but it could happen over the next few weeks as long as 99.00 holds."*  
- BK Asset Management (based on Reuters)

## Pair's Outlook

The USD/JPY currency pair succeeded in remaining above the 100.00 psychological level for another day, but risks of a slump even below that area persist. Technical indicators keep giving bearish signals in all timeframes, suggesting that a set of US fundamental data could disappoint today and drive the Buck lower against the Japanese Yen. The weekly PP, which is now the nearest support, will then most likely fail to hold the losses, with all focus shifting to the support cluster around 99.50, represented by the weekly S1 and the Bollinger band. On the other hand, potential gains will doubtfully exceed the 101.20 mark, where the 20-day SMA coincides with the weekly R1.

## Traders' Sentiment

There are now 68% of traders holding long positions, compared to 67% yesterday. The number of buy orders, however, slid from 54 to 52%.

Sentiment	Today	Yesterday	5 days ago
Positions	38%	34%	34%
Orders	4%	8%	8%

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	Neutral	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 100.46



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
116	115	115	
112		111	
109	110		
103.13			
102.32			
101.11			
100.41			
99.55			
98.88			

Level	Rationale
R3	55-day SMA; weekly R3; monthly PP
R2	Weekly R2; Bollinger band
R1	20-day SMA; weekly R1
S1	Weekly PP
S2	Bollinger band; weekly S1
S3	Monthly S1; weekly S2

# Gold falls and increases volatility on Wednesday



*“As soon as we get some type of supportive candle, I more than willing to jump into this market because I believe in the longer-term uptrend.”*  
– Christopher Lewis, Analyst (based on FX Empire)

## Pair's Outlook

The yellow metal stopped the fluctuations around the 1,340 level, in which it had been in for the past weeks, as the metal fell on Wednesday due to being pressured by the 20-day SMA from the downside. In the fall the bullion almost reached the weekly S2 at 1,322.63 and ended the session at 1,326.32. On Thursday morning gold has rebounded against the weekly support level and slightly surged, as it has encountered the 55-day SMA at 1,327.31. As the metal is pressured between the two levels, it is most likely going to remain unchanged during today's trading session.

## Traders' Sentiment

Traders remain slightly bearish on the metal, as 52% of open positions are short on Thursday. However, pending commands are clearly bullish, as 63% of placed orders are to buy.

XAU/USD Daily Chart

Current price 1326.66



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1337.47			
1331.76			
1327.32			1325
1322.63			
1317.00	1250	1250	
1309.50	1220		
		1200	1200
	1155		
		1150	1150

Sentiment	Today	Yesterday	5 days ago
Positions	-4%	-6%	-4%
Orders	26%	14%	18%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Sell
ADX (14)	Neutral	Neutral	Neutral
CCI (14)	Buy	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	1.337.47	20-day SMA
■ R2	1,331.76	Weekly S1
■ R1	1,327.32	55-day SMA
■ S1	1,322.63	Weekly R2
■ S2	1,317/15	Bollinger band; monthly S1
■ S3	1.309.50	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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