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



Technical Analysis

Friday, August 26, 2016
07:30 GMT

EUR/USD breaks resistance at 1.1281 on Friday



"EUR/USD may be preparing for a substantial mark-up."
– Jamie Saettele CMT (based on Daily FX)

Pair's Outlook

The common European currency started Friday's trading session just below the weekly pivot point at 1.1281. However, without any fluctuations to the downside, the currency exchange rate broke the resistance provided by the pivot point. The currency pair had broken the resistance also on Thursday. At the moment, the pair faces no resistance up to the level of 1.1353, where the second monthly resistance is located at. Moreover, aggregate technical indicators forecast a surge for the day. These facts combined assure that the rate is going up.

Traders' Sentiment

Traders remain bearish on the pair, as 62% of open positions are short on Friday. However, in the past sessions it seems to be slowly moving to the bullish side. In the meantime, pending orders are 57% short.

Sentiment	Today	Yesterday	5 days ago
Positions	-24%	-22%	-26%
Orders	-14%	-10%	-10%

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	Sell	Neutral
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Buy	Buy	Sell
SAR (0.02; 0.2)	Buy	Buy	Buy
Aggregate	↗	↗	→

EUR/USD Daily Chart

Current price 1.1294

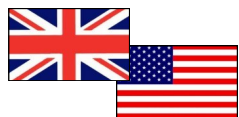


SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.1395			
1.1363	1.14	1.14	1.14
1.1281			
1.1263			
1.1227			
1.1195			
	1.1	1.1	1.1
	1.08		
		1.07	1.07

	Level	Rationale
R3	1.1395/1.1407	Bollinger band; weekly R1
R2	1.1353	Monthly R2
R1	1.1281	Weekly PP
S1	1.1263	Monthly R1
S2	1.1227/22	20 and 100– day SMAs
S3	1.1195	Weekly S1

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GBP/USD attempts to reclaim 1.32



"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 GBP/USD currency pair declined on Thursday, amid stronger-than-expected US fundamentals boosting the American Dollar that day. As a result, the pair slid back under 1.32, but technical indicators retain mixed signals, creating a possibility for another rally. Another bullish outcome would mean a breach of the immediate resistance, namely the weekly R1, opening the door for a surge towards the 1.33 major level and perhaps even towards the second resistance area around 1.3350. However, we should not rule out the Cable experiencing another leg down, leading to a break through the monthly PP at 1.3170.

Traders' Sentiment

Traders' sentiment remains bearish, now at 58%, compared to 56% on Thursday. At the same time, the portion of orders to acquire the British Pound increased from 44 to 58%.

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

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Buy	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 1.3217

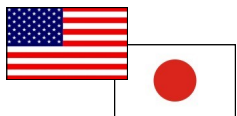


SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1.51		1.53	1.53
1.46		1.49	1.49
1.42		1.45	1.43
1.3542			
1.3322			
1.3222			
1.3170			
1.3109			
1.3044			

	Level	Rationale
R3	1.3542/43	Weekly R3; monthly R1
R2	1.3322/72	23.60% Fibo; Bollinger band; weekly R2; 55-day SMA
R1	1.3222	Weekly R1
S1	1.3170	Monthly PP
S2	1.3109	20-day SMA
S3	1.3044	Weekly PP

USD/JPY in limbo ahead of Yellen's speech

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"If Yellen shows less confidence about the U.S. economy, maybe people would like to buy the yen more, but I also think there are longterm investors who step in to buy dollars whenever it falls below 100 yen, so I think it will stay around current levels for a while."

- Masashi Murata, BBH (based on Reuters)

■ Pair's Outlook

During the previous three days the USD/JPY currency pair remained almost completely muted, awaiting for the Fed president to speak today. According to technical studies and other data, Yellen is likely to be dovish, which would lead to another US Dollar sell-off. Moreover, the Buck then risks falling under the 100.00 yen level, with the nearest area to limit the losses being the cluster around 99.45, represented by the weekly S1 and the Bollinger band. A breach of this area would expose the 99.00 mark, as well as the second support area circa 98.70, which is the final obstacle before the Greenback could begin falling towards the descending channel's lower border around 95.50.

■ Traders' Sentiment








Bulls remain in the majority, taking up 70% of the market today. Meanwhile, 61% of all pending orders are to purchase the Buck.

Sentiment	Today	Yesterday	5 days ago
Positions	40%	38%	34%
Orders	22%	4%	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 **100.40**

[illegible]

	Level	Rationale
 R3	103.02/19	55-day SMA; weekly R3; monthly PP
 R2	102.32/54	Weekly R2; Bollinger band
 R1	101.03/28	20-day SMA; weekly R1
 S1	100.41	Weekly PP
 S2	99.51/37	Bollinger band; weekly S1
 S3	98.88/50	Monthly S1; weekly S2

Friday, August 26, 2016
07:30 GMT

Gold remains squeezed in on Friday



"Interest in the precious metal continues to grow, with funds adding 43 million shares in the SPDR Gold ETF during the second quarter, after a 46 million-share gain in the first quarter."

— based on Bloomberg

Pair's Outlook

The yellow metal changed direction on early Friday morning, as it found support in the second weekly support level at 1,322.62, and the metal is most likely to surge to the 55-day SMA at 1,328.15. Previously gold fluctuated around these two levels, as the commodity finds support in the weekly S2 and in the meantime is not capable of breaking the 55-day SMA. The bullion got squeezed in between these two levels on Wednesday, as the metal fell to the weekly S2. However, daily aggregate technical indicators forecast a downfall for the bullion during today's trading session.

Traders' Sentiment

Traders are neutral bearish on the pair, as 51% of open positions are short. In the meantime, pending commands are 60% long on Friday.

Sentiment	Today	Yesterday	5 days ago
Positions	-2%	-4%	-6%
Orders	20%	26%	14%
Indicator	1D	1W	1MN
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Sell
ADX (14)	Neutral	Neutral	Neutral
CCI (14)	Buy	Neutral	Sell
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Sell	Buy	Buy
SAR (0.02; 0.2)	Sell	Buy	Buy
Aggregate	↘	↗	↗

XAU/USD Daily Chart

Current price 1324.18



SUPPORT & RESISTANCE	FORECASTS		
	Q3 16	Q4 16	Q1 17
1354.00			
1345.00			
1322.00			1325
1315.00			
1293.33			
1280.98			
1250	1250		
1220		1200	1200
1155		1150	1150

	Level	Rationale
R3	1,354/58	Weekly R1; Bollinger band
R2	1,345	Weekly and monthly PPs
R1	1,322/35	Weekly S1 and S2; 20 and 55-day SMAs
S1	1,315/09	Monthly S1; Bollinger band; weekly S3
S2	1,293.33	100-day SMA
S3	1,280.98	Monthly S2

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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