15/08/2016

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

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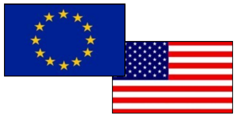
RESEARCH PRODUCTS

Technical Analysis

EUR/USD near the weekly PP at 1.1151 on Monday

Monday, August 15, 2016
07:30 GMT



"The EUR/USD pair initially tried to rally during the course of the day on Friday, but gave back about half of the games in order to form a shooting star."
– based on FX Empire

Pair's Outlook

The common European currency traded just above the newly formed weekly PP at 1.1151 against the US Dollar on Monday morning. In addition, the pivot point is also supported by the 55-day SMA. The currency exchange rate already bounced off the support level once, and no matter if it tests the support once more, the pair is most likely to surge during today's trading session. A surge is also supported by the daily aggregate technical indicators and the fact that the currency pair is close to being oversold.

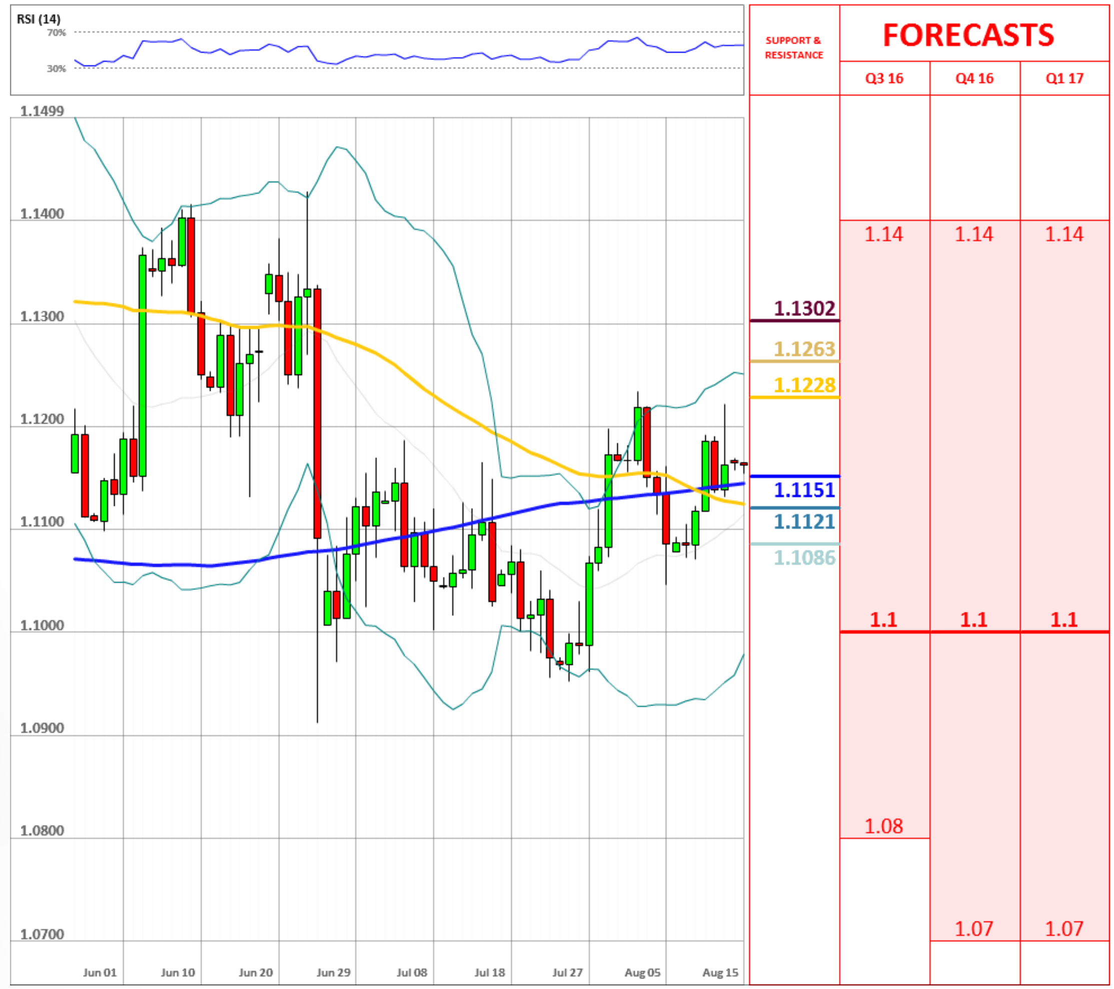
Traders' Sentiment

SWFX traders are bearish on the pair, as 58% of open positions are short. In the meantime, pending commands are also bearish, as pending orders were 57% short on Monday.

Sentiment	Today	Yesterday	5 days ago
Positions	-16%	-16%	-18%
Orders	-14%	-14%	-6%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Buy	Sell	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	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Buy
Aggregate	↗	↘	→

EUR/USD Daily Chart   Current price **1.1162**



	Level	Rationale
R3	1.1302	Weekly R2
R2	1.1263/65	Monthly R1; Bollinger band
R1	1.1228/32	100-day SMA; weekly R1
S1	1.1151	Weekly PP; 55-day SMA
S2	1.1121/07	20-day SMA; monthly PP
S3	1.1086/81	200-day SMA; weekly S1

GBP/USD on the edge of falling under 1.29

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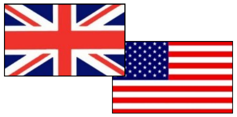

"We think that GBP weakness will largely be driven by the lowering of bond yields but then also by the balance sheet expansion of the BoE."
- Morgan Stanley (based on PoundSterlingLive)

Pair's Outlook

Even weak US fundamental data on Friday was insufficient to trigger a GBP/USD rally, being that the pair erased all intraday gains and ended the day with a 34-pip loss. Today the Cable faces a relatively strong support area 1.2870, represented by the Bollinger band, the weekly and the monthly S1s. However, a much stronger demand area lies 100 pips lower, which is bolstered by a three-year support line, but the exchange rate is unlikely to fall that low just yet, due to lack of impetus. Nevertheless, technical studies suggest that another leg down is probable, as they are giving bearish signals in the daily timeframe.

Traders' Sentiment

Sentiment remains moderately bullish, with 67% of all open positions being long (previously 64%). At the same time, the share of orders to acquire the Sterling increased from 36 to 57%.

Sentiment	Today	Yesterday	5 days ago
Positions	34%	28%	10%
Orders	14%	-28%	44%

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

GBP/USD Daily Chart Current price **1.2927**

FORECASTS

Q3 16	Q4 16	Q1 17
	1.53	1.53
1.51	1.49	1.49
1.46	1.45	1.43
1.42		

	Level	Rationale
R3	1.3124	20-day SMA
R2	1.3046	Weekly R1
R1	1.2975	Weekly PP
S1	1.2883/53	Bollinger band; weekly and monthly S1s
S2	1.2798/65	July low; weekly S2; down-trend
S3	1.2660	Weekly S3

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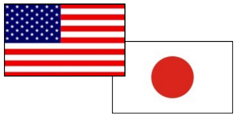
USD/JPY struggles to remain above 101.00

Monday, August 15, 2016
07:30 GMT



“I’m not sure there are many short-term dollar bulls left at the moment.”
- Deutsche Bank AG (based on Bloomberg)

Pair’s Outlook

The Yen was outperforming the US Dollar through most of Friday, when a set of poor US fundamental data only added more oil to the flame. As a result, the USD/JPY pair almost completely erased preceding gains, managing to remain above the 101.00 major level. Demand at the 101.00 mark remains strong and should prevent the Greenback from falling deeper down today, despite technical indicators retaining bearish signals in all timeframes. However, a substantial rally is also unlikely, as the nearest resistance lies not far from today’s opening price, namely at 101.60. On the other hand, in case the bearish momentum prevails, the weekly S1 at 100.55 is the nearest support.

Traders’ Sentiment

There are 61% of traders being long the Buck today (previously 62%), whereas the portion of buy orders dropped down from 54 to 40%.

Sentiment	Today	Yesterday	5 days ago
Positions	22%	24%	24%
Orders	-20%	8%	-38%

Indicator	1D	1W	1MN
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Neutral	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	Buy	Sell
Aggregate	↘	↘	↘

USD/JPY Daily Chart Current price **101.28**

	Level	Rationale
R3	103.19/42	Monthly PP; weekly R2; 20-day SMA
R2	102.38	Weekly R1
R1	101.60	Weekly PP
S1	100.55	Weekly S1
S2	99.78	Weekly S2
S3	99.13/98.73	Bollinger band; monthly S1; weekly S3

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Gold trading around 1,340 on Monday

Monday, August 15, 2016
07:30 GMT

"Gold spiked higher after disappointing US retail sales data undermined Fed rate hike bets and sent the US Dollar lower, but the move proved short-lived."
– based on Daily FX

Pair's Outlook

The yellow metal approached the resistance cluster made up of the weekly and monthly pivot points respectively at 1,340.78 and 1,345.31, as the metal's price was at 1,338.90 by 5:30 GMT. Gold will be pushed onto the resistance levels by the 20-day SMA, which was at 1,338.34 by 5:30 GMT and was set to move upwards together with the commodity. In the meantime, daily aggregate technical indicators forecast a surge for the metal during Monday's trading session. In addition, the newly calculated weekly aggregate indicators also forecast a surge for gold during this week.

Traders' Sentiment

SWFX trader sentiment remained unchanged for the third consecutive trading session on Monday, as 52% of open positions were short. In the meantime, pending orders were 51% long.

Sentiment	Today	Yesterday	5 days ago
Positions	-4%	-4%	-4%
Orders	2%	12%	6%

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)	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 **1339.28**

	Level	Rationale
R3	1,365/68	Bollinger band; weekly R2
R2	1,351.70	Weekly R1
R1	1,340/45	Weekly and monthly PPs
S1	1.338.36	20-day SMA
S2	1,324.40	Weekly S1
S3	1,316/11	Monthly S1; 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

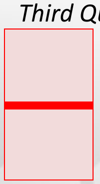
- SMA (55) – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

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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