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Technical Analysis

EUR/USD EUR/USD to hit 1.2530/88



"In this sort of environment it does not take much to knock the euro, it is in an extremely vulnerable position"
- Rabobank (based on Reuters)

■ **Industry outlook**

The outlook for EUR/USD will remain negative as long as a cluster of resistances at 1.2913/20 (downtrend and 20 day ma) stays in place. Currently the pair is moving toward 1.2530/88, while a long-term target is 1.2083 (200 month ma).

■ **Traders' sentiment**

The majority of traders (56%) is currently staying long on EUR/USD currency pair, whereas the rest (44%) of market participants remain short on it.

■ **Long position opened**

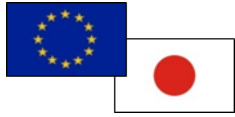
Bullish investors should pay attention to the key resistance levels for intraday trading. R1 is situated at 1.2873, followed by R2 and R3 at 1.2932 and 1.3019, respectively.

■ **Short position opened**

Initial support for EUR/USD intraday trading is situated at 1.2727. In case S1 is penetrated, traders with short positions are likely put their T/P orders at 1.2640 and 1.2581.



EUR/JPY EUR/JPY to tumble



“The Greek situation is quite dire. If they don’t reach some sort of agreement by the end of next week, they may very likely be forced in to a hard default”
- Forex.com (based on Bloomberg)

■ **Industry outlook**

EUR/JPY has declined down to new 11-year lows. While being capped by a formidable resistance located at 98.75/80 the bias will be bearish for the pair, which in turn is expected to fall to 94.90, through supports at 96.15 and 95.90/40.

■ **Traders’ sentiment**

Traders’ sentiment is bullish on EUR/JPY currency pair, since the largest part (67%) of traders is holding long positions, while only 33% of them expect the Japanese Yen to appreciate relative to the Euro.

■ **Long position opened**

While trading this pair, investors should pay attention to the immediate resistance level at 98.73. If the pair manages to go through this line, further resistances are situated at 99.10 and 99.65.

■ **Short position opened**

Bearish market players will pay attention to a near-term support at 97.81. The downtrend continuation will establish following targets for traders: S2 at 97.26 and S3 at 96.89.



GBP/USD GBP/USD's bearish impetus vanishes near 1.5272



"We think the BoE will do more quantitative easing in February and that will weigh on bullishness in sterling"
- RBS (based on Reuters)

Industry outlook

After a short-term weakness, GBP/USD currency couple has managed to form a base ahead of support at 1.5272. Additional support is provided by a key level located at 1.5145. Rallies are unlikely to be able to extend beyond 1.5408 and 1.5500.

Traders' sentiment

The amount of bulls continues to outnumber the amount of bears in GBP/USD market. 62% of traders anticipate the Cable to rise, while 38% of them consider the alternative scenario as more likely.

Long position opened

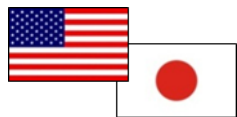
Leading market participants, who have entered GBP/USD market with a buy trade, are expecting to close their positions at the key resistances at 1.5372, 1.5414 and 1.5460.

Short position opened

Bearish traders will pay attention to the key support levels to close their deals. The forecast targets are 1.5284, 1.5238 and 1.5196.



USD/JPY USD/JPY targets 77.69



“Strong November data [from Japan] comes as a relief, bolstering confidence in the expansionary capex trend”
- Societe Generale SA (based on Bloomberg)

■ **Industry outlook**

Being that USD/JPY was rather calm the preceding week, it is now expected to attempt to pierce through 77.69 once more. Subsequent resistances are at 78.59 (200 day ma) and 79.56 (55 week ma). Supports may be found at 76.60 and 76.52.

■ **Traders' sentiment**

The share of long positions opened on USD/JPY pair has slightly increased, up to 58%. Consequently, the portion of short positions has dropped even further, down to 42%.

■ **Long position opened**

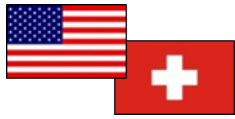
Initial resistance area for the pair is situated at 76.93. Subsequent goals for the bullish market payers may be found at 77.11 and 77.24.

■ **Short position opened**

Major dealers are planning to partially close their short positions if the pair touches upon the first support level at 76.62. However, if the bearish impetus proves to be strong enough, some of the positions could be squared off at S2 of 76.49 and at S3 of 76.31.



USD/CHF USD/CHF to inch higher



“The inflation outlook provides the Fed with some wiggle room. While growth remains uneven, manufacturing activity has been resilient”
- State Street Global Markets LLC (based on Bloomberg)

■ **Industry outlook**

USD/CHF has finished its downward corrective move and is now expected to commence advancing, being supported by a strong level at 0.9364/17. At first the pair is anticipated to reach 0.9595, while being en route to 0.9774 in the longer term.

■ **Traders' sentiment**

The Swiss Franc is the least popular currency at the moment. As a result, the overwhelming majority (73%) of traders have preferred to acquire the American Dollar against the Swissie, while 27% of market participants seem to reckon otherwise.

■ **Long position opened**

Investors should pay attention to the identified with the help of the standard pivot point method resistance zones, as they might be useful during intraday trading. The initial resistance level is at the level of 0.9523, whereas R2 and R3 are situated at 0.9602 and 0.9658 accordingly.

■ **Short position opened**

Major FX traders expect the price to test the initial support level at 0.9388. The breakout of this line will pave the way for the price to test S2 at 0.9332 and S3 at 0.9253.


USD/CHF Daily Chart


Current price: **0.9551**










	Daily	Weekly	Monthly
Trends	1	7	31
Resistance 3	0.9658	0.9923	1.0074
Resistance 2	0.9602	0.9751	0.9810
Resistance 1	0.9523	0.9650	0.9597
Pivot Point	0.9467	0.9478	0.9333
Support 1	0.9388	0.9377	0.9120
Support 2	0.9332	0.9205	0.8856
Support 3	0.9253	0.9104	0.8643





TRADING SIGNALS

EUR/USD 	1 day Outlook 	1 week Outlook 	1 month Outlook 
MACD (12; 26; 9)	SELL	SELL	SELL
RSI (13)	SELL	SELL	NEUTRAL
Stochastic (5; 3; 3)	NEUTRAL	SELL	SELL
ADX (13)	NEUTRAL	BUY	NEUTRAL
CCI (13)	SELL	BUY	SELL
SAR (0.02; 0.2)	SELL	SELL	BUY
AROON (14)	SELL	SELL	SELL
Alligator (13; 8; 5)	SELL	SELL	SELL

USD/CHF 	1 day Outlook 	1 week Outlook 	1 month Outlook 
MACD (12; 26; 9)	BUY	BUY	BUY
RSI (13)	NEUTRAL	NEUTRAL	NEUTRAL
Stochastic (5; 3; 3)	NEUTRAL	BUY	BUY
ADX (13)	NEUTRAL	NEUTRAL	NEUTRAL
CCI (13)	BUY	SELL	BUY
SAR (0.02; 0.2)	BUY	BUY	BUY
AROON (14)	NEUTRAL	NEUTRAL	SELL
Alligator (13; 8; 5)	BUY	BUY	NEUTRAL

GBP/USD 	1 day Outlook 	1 week Outlook 	1 month Outlook 
CD (12; 26; 9)	SELL	SELL	BUY
RSI (13)	SELL	SELL	NEUTRAL
Stochastic (5; 3; 3)	NEUTRAL	SELL	SELL
ADX (13)	NEUTRAL	NEUTRAL	NEUTRAL
CCI (13)	BUY	SELL	SELL
SAR (0.02; 0.2)	SELL	SELL	BUY
AROON (14)	SELL	SELL	SELL
Alligator (13; 8; 5)	SELL	SELL	SELL

EUR/JPY 	1 day Outlook 	1 week Outlook 	1 month Outlook 
MACD (12; 26; 9)	SELL	SELL	SELL
RSI (13)	SELL	SELL	SELL
Stochastic (5; 3; 3)	NEUTRAL	SELL	NEUTRAL
ADX (13)	SELL	NEUTRAL	BUY
CCI (13)	SELL	BUY	SELL
SAR (0.02; 0.2)	SELL	SELL	BUY
AROON (14)	SELL	SELL	SELL
Alligator (13; 8; 5)	SELL	SELL	SELL

USD/JPY 	1 day Outlook 	1 week Outlook 	1 month Outlook 
MACD (12; 26; 9)	SELL	BUY	BUY
RSI (13)	NEUTRAL	NEUTRAL	SELL
Stochastic (5; 3; 3)	NEUTRAL	SELL	NEUTRAL
ADX (13)	NEUTRAL	NEUTRAL	SELL
CCI (13)	NEUTRAL	SELL	NEUTRAL
SAR (0.02; 0.2)	SELL	BUY	SELL
AROON (14)	NEUTRAL	NEUTRAL	SELL
Alligator (13; 8; 5)	NEUTRAL	SELL	SELL

Additional information can be found at:

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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.

Lines

- Resistance 1, 2, 3 – a resistance level calculated with the help of the standard Pivot method;
- Pivot – a point calculated on the basis of High, Low and Close prices of the preceding period;
- Support 1, 2, 3 – a support level calculated with the help of the standard Pivot method.

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.

Chart notations

- Monthly resistance
- Weekly resistance
- Daily resistance
- Daily support
- Weekly support
- Monthly support

Max – the highest projection set by the industry sentiment



Mean – the average price based on the projections of the industry sentiment

Min – the lowest projection set by the industry sentiment

Disclaimer

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