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RESEARCH PRODUCTS

04/06/2012

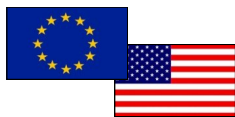
EUR/USD GBP/USD USD/JPY USD/CHF



Technical Analysis

Monday, June 04, 2012
08:00 GMT

EUR/USD EUR/USD to trade sideways



"The nonfarm payrolls number gives considerable political capital for the U.S. Federal Reserve to announce further QE"

- Faros Trading in Stamford (based on CNBC)

■ Pair's Outlook

EUR/USD is currently consolidating ahead of a support 1.2266/49, which should be able to limit possible near-term losses of the pair. Rallies, on the other hand, should be tepid, since a tough resistance level at 1.2585 will cap the price for now. In the long run, however, the currency couple is expected to maintain its southwards direction, until 1.16 is attained.


■ Traders' Sentiment

SWFX marketplace traders' sentiment towards EUR/USD is presently mixed, as 51% of all the positions on the currency pair are long and 49% of them are short. As for the orders placed, buy orders are in majority, constituting 57% of all the commands, while the portion of sell orders is 43%. Nonetheless, the common currency remains the most popular among its peers.

Indicator/Period	Day 	Week 	Month 
MACD (12; 26; 9)	Buy	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Buy	Neutral
ADX (14)	Sell	Neutral	Sell
CCI (14)	Buy	Sell	Sell
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Sell	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell

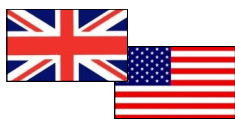
EUR/USD Daily Chart Current price: **1.2418**

[illegible]

	Level	Rationale
■ Resistance 3	1.2660	Monthly PP
■ Resistance 2	1.2585	Weekly R1
■ Resistance 1	1.2436	Weekly PP; downtrend resistance
■ Support 1	1.2266/49	Bollinger band; weekly S1
■ Support 2	1.2100/1.2037	Weekly S2; monthly S1
■ Support 3	1.1912	Weekly S3

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GBP/USD GBP/USD to bounce off 1.5621




"The pound seems to be following the euro. Back in 2010, while the euro fell to below \$1.20, cable fell to below \$1.45, so there could be more downside to come"
- ***Forex.com (based on Reuters)***

■ Pair's Outlook

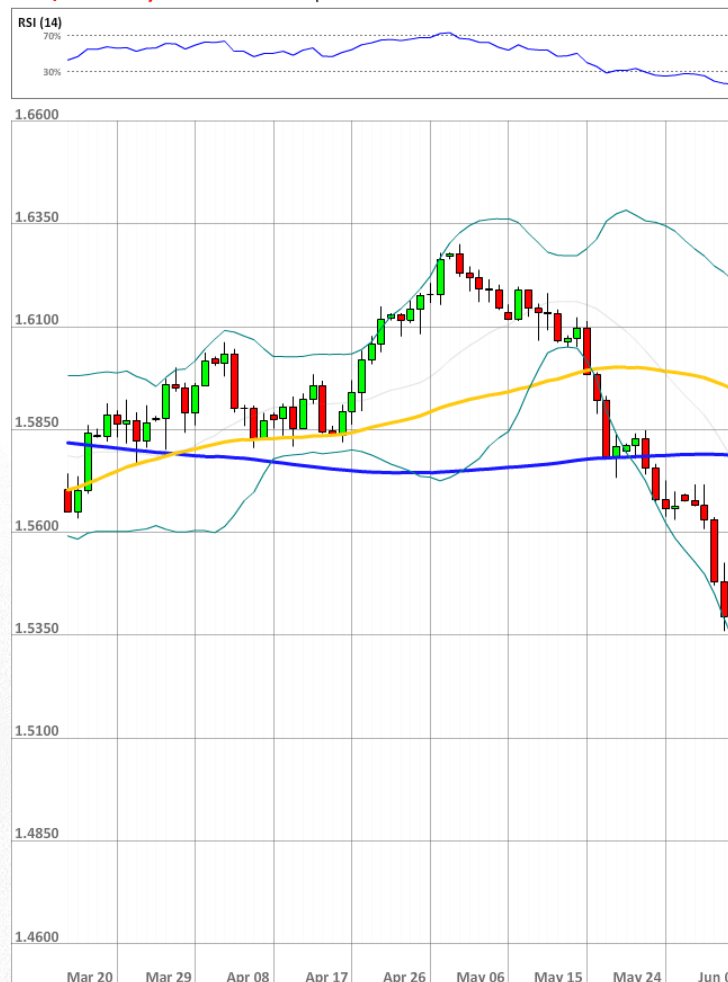
Bearish movement of GBP/USD is slowing down while the currency pair is approaching a key support situated at 1.5261, where we are likely to observe a strong rebound. Additional levels are located at 1.5212, 1.5171 and 1.5088, decreasing the possibility of 1.5261 being breached and of subsequent reignition of bearish behaviour. An initial resistance is at 1.5443, followed by 1.5538 and 1.5620/67.

■ Traders' Sentiment


According to SWFX liquidity consumers' sentiment index, the ratio between bullish and bearish traders on the Cable is 57% to 42%, implying the majority of market participants expect the British Pound to appreciate relative to the U.S. Dollar. At the same time 41% of orders on the currency pair are to acquire the Sterling and 59% of them are to sell it against the Greenback.

Indicator/Period	Day 	Week 	Month 
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Buy	Neutral
ADX (14)	Sell	Buy	Sell
CCI (14)	Sell	Sell	Neutral
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Sell	Buy	Neutral
SAR (0.02; 0.2)	Sell	Sell	Sell

GBP/USD Daily Chart Current price: **1.5366**

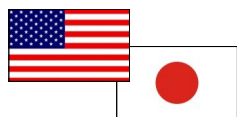


SUPPORT & RESISTANCE	FORECASTS		
	1 DAY	1 WEEK	1 MONTH

	Mar 20	Mar 29	Apr 06	Apr 17	Apr 26	May 06	May 13	May 24	Jun 03						
			Level		Rationale										
	■ Resistance 3		1.5620/67		Weekly R1; monthly PP										
	■ Resistance 2		1.5538		Downtrend resistance										
	■ Resistance 1		1.5443		Weekly PP										
	■ Support 1		1.5261		Support										
	■ Support 2		1.5212/1.5171		Bollinger band; weekly S1										
	■ Support 3		1.5088		Monthly S1										

USD/JPY USD/JPY undergoes bullish correction

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08:00 GMT



"Intervening at this stage would be unwise and a waste of money. As long as Europe remains in a state of confusion, yen will continue to be bought for its relative safety"

- Fukoku Capital Management Inc. (based on Bloomberg)

Pair's Outlook

USD/JPY is attempting to recover, although this bullish advancement is likely to be short-lived, given that majority of technical indicators point to the downside. The rally should be halted by a resistance at 78.45 or at 79.00/24, the latter being a more formidable level. Afterwards we anticipate to see resumption of the overall bearish trend, which may be terminated at 77.07.

Traders' Sentiment

The Japanese Yen is the least frequently bought currency among its major counterparts. Accordingly, the overwhelming majority of traders (73%) stay bullish on USD/JPY, while merely 27% believe the Asian currency will gain in value relative to the Dollar. Additionally, 58% of all the orders placed are buy orders and 42% of them are sell orders.

USD/JPY Daily Chart Current price: 78.16



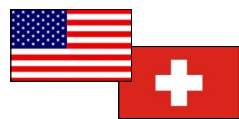
SUPPORT & RESISTANCE	FORECASTS		
	1 DAY	1 WEEK	1 MONTH
			81
80.03	79.89	79.84	
79.00			
78.45			
77.84			
77.27			
76.72			

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Buy	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Buy	Buy	Neutral
ADX (14)	Neutral	Sell	Buy
CCI (14)	Sell	Sell	Neutral
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Sell	Buy	Sell
SAR (0.02; 0.2)	Sell	Sell	Buy

	Level	Rationale
Resistance 3	80.03/76	Monthly R1; 100 and 55 day SMA; weekly R2
Resistance 2	79.00/24	200 day SMA; monthly PP; weekly R1
Resistance 1	78.45	Weekly PP
Support 1	77.84/63	Bollinger band; monthly S1
Support 2	77.27/07	Weekly S1; downtrend support
Support 3	76.72/47	Monthly and weekly S2

USD/CHF USD/CHF to hover around 0.9662

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08:00 GMT



"There's concern about global growth and how the dollar may benefit as a safe-haven currency, and there's weaker U.S. data bringing the Fed back into the picture. You could see a consolidation in the dollar over the next month"
- Pioneer Investments (based on WSJ)

Pair's Outlook

USD/CHF has stalled near 0.9662 and is expected to remain calm for now, since the currency pair has recently encountered an accelerated uptrend resistance at 0.9730. Therefore the price is likely to pull back to 0.9553/0.9497 - a confluence of several supports and then recommence conquering resistances, as USD/CHF still preserves positive outlook, despite current weakness.

Traders' Sentiment

The Swiss Franc is the second least popular currency after the Japanese Yen. Consequently, the stance of most of market participants on USD/CHF is bullish. Namely 67% of positions are long and 33% are short. However, only 34% of orders are to buy the U.D. Dollar, signifying that majority of traders expect the currency couple to soon reverse its direction.

USD/CHF Daily Chart Current price: 0.9671



SUPPORT & RESISTANCE	FORECASTS		
	1 DAY	1 WEEK	1 MONTH
1.0038			
0.9904			
0.9786			
0.9662			
0.9553			0.95
0.9419	0.9351	0.9274	

Indicator/Period	Day	Week	Month
MACD (12; 26; 9)	Sell	Sell	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Sell	Sell	Neutral
ADX (14)	Buy	Neutral	Neutral
CCI (14)	Sell	Buy	Buy
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Buy	Buy	Sell
SAR (0.02; 0.2)	Buy	Buy	Buy

	Level	Rationale
Resistance 3	1.0038/65	18-month high; weekly R3
Resistance 2	0.9904/53	Monthly R1; weekly R2
Resistance 1	0.9786/95	Bollinger band; weekly R1; accelerated uptrend
Support 1	0.9662	Weekly PP
Support 2	0.9553/0.9497	Monthly PP; weekly S1; uptrend support
Support 3	0.9419	Weekly 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

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



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