SWISSQUOTE

RESEARCH TEAM

DAILY TECHNICAL REPORT

31 May 2016

DISCLAIMER & DISCLOSURES

Please read the disclaimer and the disclosures which can be found at the end of this report

EUR / USD

Edging lower.

• EUR/USD is heading towards 1.1100 within the downtrend channel. Hourly resistance is located at 1.1227 (24/05/2016 high) and 1.1349 (17/05/2016 high). Hourly support can be found at 1.1058 (16/03/2016 low). The technical structure suggests further downside moves within the downtrend channel.

• In the longer term, the technical structure favours a very long-term bearish bias as resistance at 1.1714 (24/08/2015 high) holds. The pair is trading in range since the start of 2015. Strong support is given at 1.0458 (16/03/2015 low). However, the current technical structure since last December implies a gradual increase.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

GBP / USD

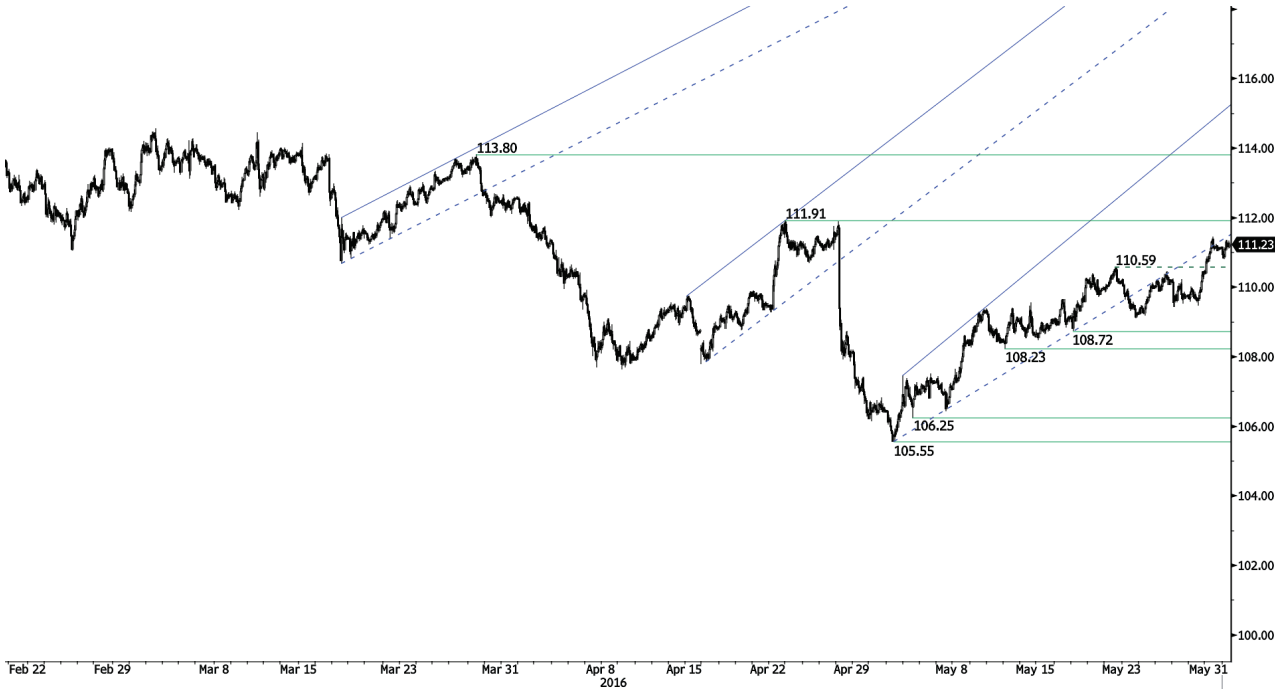
Direction-less.

• GBP/USD is moving sideways in the very short-term. The pair has failed to reach hourly resistance at 1.4770 (03/05/2016 high). Hourly support is given by the lower bound of the uptrend channel and by 1.4404 (15/05/2016 low). Expected to show renewed bullish momentum toward resistance at 1.4770.

• The long-term technical pattern is negative and favours a further decline towards key support at 1.3503 (23/01/2009 low), as long as prices remain below the resistance at 1.5340/64 (04/11/2015 low see also the 200 day moving average). However, the general oversold conditions and the recent pick-up in buying interest pave the way for a rebound.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

USD / JPY



Consolidating.

• USD/JPY is consolidating in its way toward resistance at 110.91 (24/04/2016 high). Hourly support may be found at 108.72 (18/05/2016 low). Yet, the medium term momentum is oriented downwards and the technical structure suggests a further strong bearish move.

• We favour a long-term bearish bias. Support at 105.23 (15/10/2014 low) is on target. A gradual rise towards the major resistance at 135.15 (01/02/2002 high) seems now less likely. Another key support can be found at 105.23 (15/10/2014 low).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

USD / CHF

Bullish momentum is slowing.

• USD/CHF has broken symmetrical triangle which shows further consolidation. Hourly resistance can be found 1.0000 (psychological level) while hourly support is given at 0.9872 (26/05/2016 low). Expected to show a continued bullish move.

• In the long-term, the pair is still trading in range since 2011 despite some turmoil when the SNB unpegged the CHF. Key support can be found 0.8986 (30/01/2015 low). The technical structure favours a long term bullish bias since last December.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

USD / CAD

Short-term bearish.

• USD/CAD is oriented downwards. Yet, the pair needs to break hourly support at 1.2895 (18/05/2016 low) to confirm deeper selling pressures while hourly resistance can be found at 1.3188 (24/05/2016 higher). Expected to further monitor support at 1.2895.

• In the longer term, the pair is now trading well below the 200-day moving average. Strong resistance is given at 1.4948 (21/03/2003 high). Stronger support can be found at 1.1731 (06/01/2015 low). The pair may have entered a new long-term decline.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

AUD / USD

Ready for upside move.

• AUD/USD is reversing. Hourly support is located at 0.7145 (24/05/2016 low). Stronger daily support is given at 0.7110 (29/10/2016 low). A break of hourly resistance at 0.7260 (23/05/2016 high) would confirm buying pressures.

• In the long-term, we are waiting for further signs that the current downtrend is ending. Key supports stand at 0.6009 (31/10/2008 low) . A break of the key resistance at 0.8295 (15/01/2015 high) is needed to invalidate our long-term bearish view.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

EUR / CHF

Weakening.

• EUR/CHF's selling pressures are still lively. Hourly resistance is located at 1.1128 (20/05/2016 high) while hourly support lies at 1.1015 (18/05/2016 low). Stronger support is given at 1.0843 (23/03/2016 low). The pair still lies within a symmetrical triangle and we expect the pair to bounce back towards 1.1200.

• In the longer term, the technical structure remains positive. Resistance can be found at 1.1200 (04/02/2015 high). Yet,the ECB's QE programme is likely to cause persistent selling pressures on the euro, which should weigh on EUR/CHF. Supports can be found at 1.0184 (28/01/2015 low) and 1.0082 (27/01/2015 low).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

EUR / JPY

Trading in range.

•EUR/JPY is trading up and down. Hourly support is given at 121.49 (06/05/2016 low) while hourly resistance can be found at 124.14 (intraday high). Expected to show further weakness.

• In the longer term, the technical structure validates a medium-term succession of lower highs and lower lows. As a result, the resistance at 149.78 (08/12/2014 high) has likely marked the end of the rise that started in July 2012. Strong support is given at 118.73 (25/02/2013 low). A key resistance can be found at 141.06 (04/06/2015 high).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

EUR / GBP

Selling pressures are fading

• EUR/GBP's medium-term momentum is still oriented downwards. Yet the pair is slowing down. Hourly resistance can be found at 0.7644 (27/05/2016 high) while hourly support can be found at 0.7565 (25/05/2016 low). Expected to show further consolidation.

• In the long-term, the pair is currently recovering from recent lows in 2015. The technical structure suggests a growing upside momentum. The pair is trading well above its 200 DMA. Strong resistance can be found at 0.8815 (25/02/2013 high).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

GOLD (in USD)

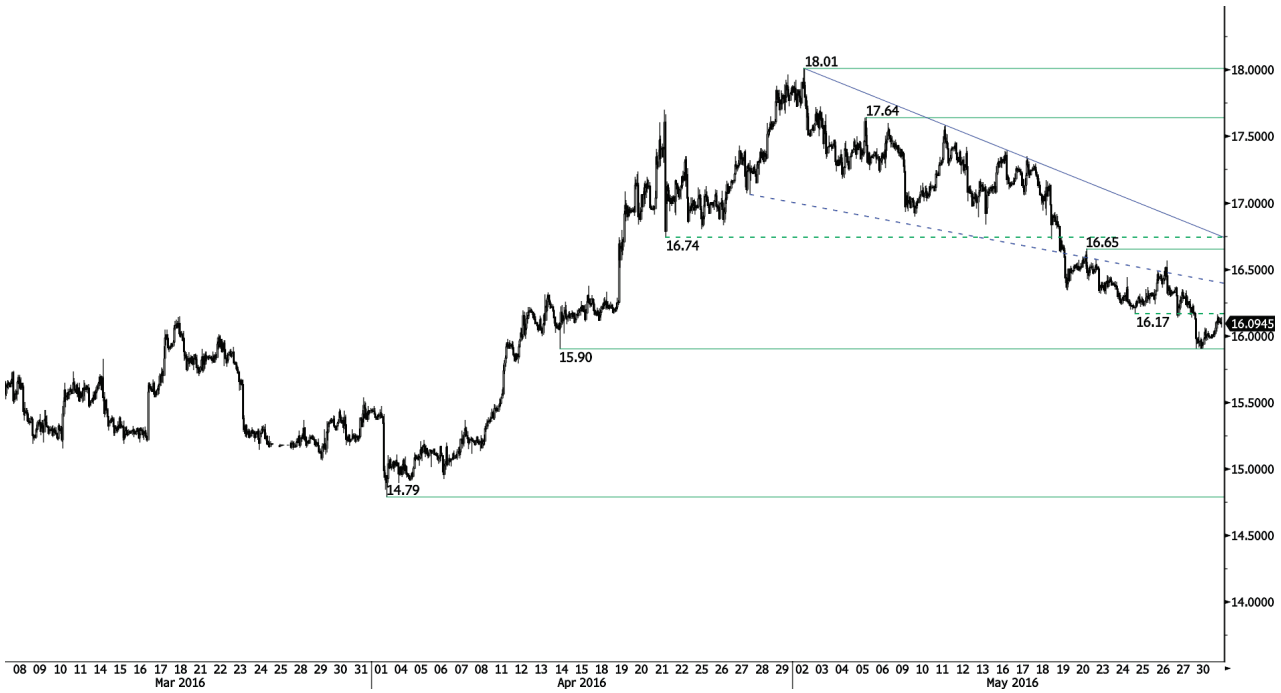
Lack of follow-through.

• Gold's short term bearish is fading and the 1200 level still stands. Daily resistance is given at 1303 (02/05/2016 high). Expected to bounce back way higher.

• In the long-term, the technical structure suggests that there is a growing upside momentum. A break of 1392 (17/03/2014) is necessary ton confirm it, A major support can be found at 1045 (05/02/2010 low).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

SILVER (in USD)



Failed to break support at 15.90

• Silver's downside move looks stronger than expected. Hourly resistance can be found at 16.65 (20/05/2016 high) while hourly support is located at 15.90 (14/04/2016 low). Stronger daily resistance is given at 18.01 (02/05/2015 high). Expected to show renewed bullish momentum if support at 15.90 still stands.

• In the long-term, the metal has broken a declining downtrend and has started to increase again. A break of resistance at 18.48 (21/05/2015 high) is needed to confirm this view. Strong support can be found at 11.75 (20/04/2009).

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

Crude Oil (in USD)

Pausing below 50.00

• Crude oil is having difficulties to push any higher. Hourly support can be found at 42.50 (26/04/2016 low) while resistance can be found at 50.21 (26/05/2015 high). The technical structure suggests a further consolidation of the commodity. Yet crude oil still lies within the uptrend channel.

• In the long-term, crude oil is now recovering from its sharp decline and the signs of recovery are now strong. Strong support lies at 24.82 (13/11/2002) while strong resistance can be found at 50.96 (09/10/2015 high). Crude oil is holding way above its 200-Day Moving Average. Expected to reach 60 before year-end.

Yann Quelenn ¦ Market Strategist
e-mail: yann.quelenn@swissquote.ch

DISCLAIMER

While every effort has been made to ensure that the data quoted and used for the research behind this document is reliable, there is no guarantee that it is correct, and Swissquote Bank and its subsidiaries can accept no liability whatsoever in respect of any errors or omissions, or regarding the accuracy, completeness or reliability of the information contained herein. This document does not constitute a recommendation to sell and/or buy any financial products and is not to be considered as a solicitation and/or an offer to enter into any transaction. This document is a piece of economic research and is not intended to constitute investment advice, nor to solicit dealing in securities or in any other kind of investments.

Although every investment involves some degree of risk, the risk of loss trading off-exchange forex contracts can be substantial. Therefore if you are considering trading in this market, you should be aware of the risks associated with this product so you can make an informed decision prior to investing. The material presented here is not to be construed as trading advice or strategy. Swissquote Bank makes a strong effort to use reliable, expansive information, but we make no representation that it is accurate or complete. In addition, we have no obligation to notify you when opinions or data in this material change. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments.

This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning Swissquote Bank, its subsidiaries and affiliates, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. Swissquote Bank does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are for information purpose only and are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Swissquote Bank as a result of using different assumptions and criteria. Swissquote Bank shall not be bound or liable for any transaction, result, gain or loss, based on this report, in whole or in part.

Research will initiate, update and cease coverage solely at the discretion of Swissquote Bank Strategy Desk. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. Swissquote Bank is under no obligation to update or keep current the information contained herein and not liable for any result, gain or loss, based on this information, in whole or in part.

Swissquote Bank specifically prohibits the redistribution of this material in whole or in part without the written permission of Swissquote Bank and Swissquote Bank accepts no liability whatsoever for the actions of third parties in this respect. © Swissquote Bank 2014. All rights reserved.