

# **DAILY TECHNICAL REPORT**

**19 May 2017**

EUR / USD



Continued increase.

- EUR/USD is trading higher. Resistance now lies at 1.1172 (18/05/2017 high). Hourly support can be found at 1.0842 (11/05/2017 low). Strong support is now given at 1.0682 (21/04/2017 base) and key support can be found at 1.0494 (22/02/2017 low). Expected to continue growing higher.
- In the longer term, the death cross late October indicated a further bearish bias. The pair has broken key support given at 1.0458 (16/03/2015 low). Key resistance holds at 1.1714 (24/08/2015 high). Expected to head towards parity.

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

GBP / USD



Breaking 1.30 mark.

- GBP/USD is trading higher. Hourly resistance is given at 1.3048 (18/05/2017 high). Hourly support are given at 1.2831 (04/05/2017 low) and 1.2757 (21/04/2017 low). An unlikely break of this last support would indicate further weakness. Expected to push higher.
- The long-term technical pattern is even more negative since the Brexit vote has paved the way for further decline. Long-term support given at 1.0520 (01/03/85) represents a decent target. Long-term resistance is given at 1.5018 (24/06/2015) and would indicate a long-term reversal in the negative trend. Yet, it is very unlikely at the moment.

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

USD / JPY



Continued decline.

- USD/JPY has exited the symmetrical triangle and keeps pushing lower. Hourly support is given at 110.24 (18/05/2017 low). Stronger support is located at 108.13 (17/04/2017 low). Other key supports lie at a distant 106.04 (11/11/2016 low). The road is now wide-open for further decline.
- We favor a long-term bearish bias. Support is now given at 96.57 (10/08/2013 low). A gradual rise towards the major resistance at 135.15 (01/02/2002 high) seems absolutely unlikely. Expected to decline further support at 93.79 (13/06/2013 low).

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

USD / CHF



Wide-open towards support at 0.9550.

- USD/CHF continues to push lower after failing to break resistance given at 1.0107 (10/04/2017 high). Support located at 0.9814 (27/03/2017 low) has been broken. Expected to continue going lower.
- 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 nonetheless a long term bullish bias since the unpeg in January 2015.

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

USD / CAD



Selling pressures are fading.

- USD/CAD keeps on weakening since the pair reached 1.3800. Hourly support can be found at 1.3411 (24/04/2017 high) then 1.3353 (20/01/2017 high). Expected to show continued bearish pressures.

- In the longer term, there is a golden cross with the 50 dma crossing the 200 dma indicating further upside pressures. Strong resistance is given at 1.4690 (22/01/2016 high). Long-term support can be found at 1.2461 (16/03/2015 low).

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

AUD / USD



Riding symmetrical triangle.

- AUD/USD is pushing higher since the pair monitored support at 0.7329 (09/05/2017 low). As long as prices remain below the resistance at 0.7608 (17/04/2017 high), the short-term technical structure is negative. Expected to show renewed weakness.
- 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.

Peter Rosenstreich | Head of Market Strategy  
 e-mail: Peter.Rosenstreich@swissquote.ch

EUR / JPY



Consolidating.

- EUR/JPY's bullish run has ended, Hourly support is given at 122.93 (05/05/2017 low). Major support is given at 114.90 (18/04/2017low). Expected to see further renewed buying pressures towards 126.00 as long as the pair remains above 122.93.
- 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 at 94.12 (24/07/2012 low) looks nonetheless far away.

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch



EUR / GBP



Growing demand.

- EUR/GBP is strengthening. The technical has turned positive since the pair has broken resistance at 0.8530 (25/04/2017 low). Support can be found at 0.8304 (05/12/2017 low). Expected to see further consolidation around 0.8600.
- In the long-term, the pair has largely recovered from recent lows in 2015. The technical structure suggests a growing upside momentum. The pair is trading above from its 200 DMA. Strong resistance can be found at 0.9500 psychological level.

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

EUR / CHF



Continued weakness.

- EUR/CHF is getting lower. Despite the sharp increase and the recent bullish breakout which was very likely psychological, we believe that the medium-term pattern suggests us to see at some point renewed bearish pressures towards key support that can be found at 1.0623 (24/06/2016 low).
- In the longer term, the technical structure is mixed. 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 Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

GOLD (in USD)



Medium-term bullish.

- Gold seems on its way back up. Hourly support is now located at 1195 (10/03/2017 low). Expected to show further upside pressures.
- In the long-term, the technical structure suggests that there is a growing upside momentum. A break of 1392 (17/03/2014) is necessary to confirm it. A major support can be found at 1045 (05/02/2010 low).

Yann Quelell | Market Strategist  
 e-mail: [yann.quelell@swissquote.ch](mailto:yann.quelell@swissquote.ch)

SILVER (in USD)



Weakening again.

- Silver weakens. Strong support is given at 15.63 (20/12/2017 low). Closest support is given at 16.20 (04/05/2017 low). Key resistance is given at a distance at 19.00 (09/11/2017 high).
- In the long-term, the death cross indicates that further downsides are very likely. Resistance is located at 25.11 (28/08/2013 high). Strong support can be found at 11.75 (20/04/2009).

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@swissquote.ch

CRUDE OIL



Monitoring the \$50 level.

- Crude oil continues to bounce on short-squeeze move. Support is given at a distance 43.76 (05/05/2017 low). Demand is very strong and crude oil is set to be monitor again the \$50 mark.
- In the long-term, crude oil has recovered after its sharp decline last year. However, we consider that further weakness are very likely. Strong support lies at 24.82 (13/11/2002) while resistance can now be found at 55.24 (03/01/2017 high).

Yann Quelell | Market Strategist  
 e-mail: yann.quelell@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.