

# **DAILY TECHNICAL REPORT**

**24 May 2018**

EUR / USD



Remains weak.

- EUR/USD has breached the key support at 1.1736 (12/12/2017 low). The short-term technical structure is negative as long as prices remain below the hourly resistance at 1.2036 (11/01/2017 low). Next key support and resistance are now given at 1.1720 (21/05/2017 low) and 1.2323 (17/01/2018 high).
- In the longer term, the momentum is turning largely negative. We favor a continued bearish bias. Key resistance is holding at 1.2886 (15/10/2014 high) while strong support lies at 1.1554 (08/11/2017 low).

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

GBP / USD

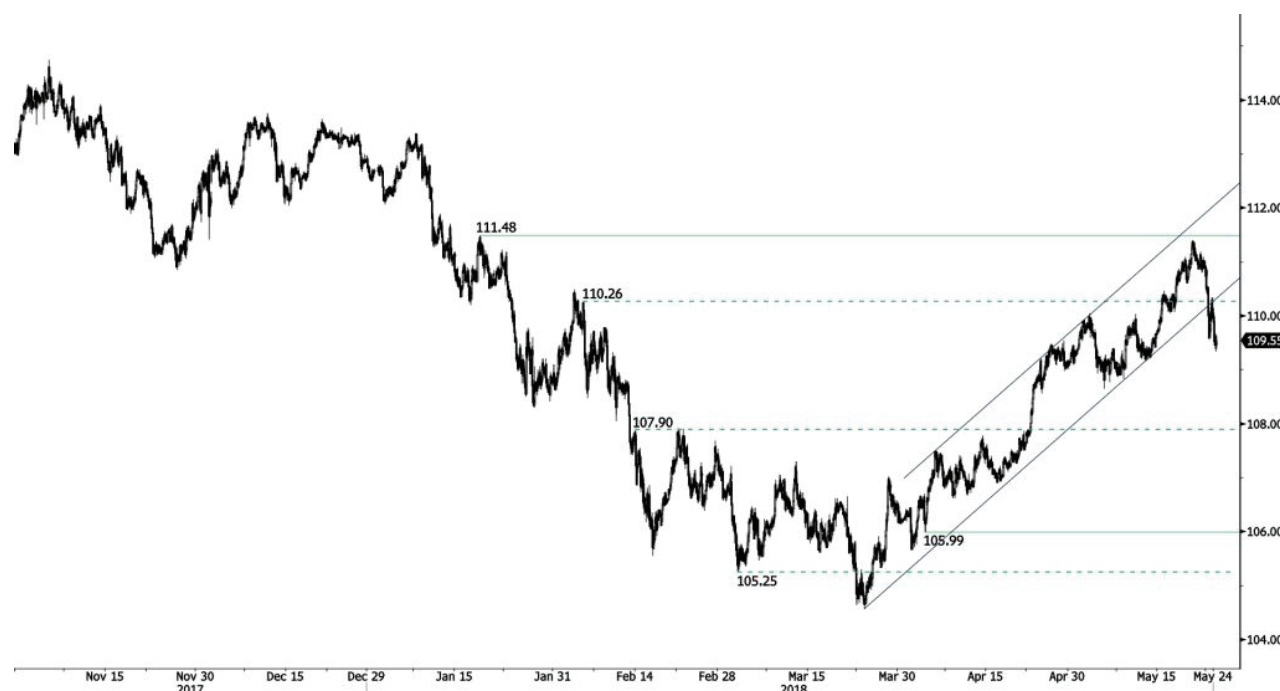


Trying to bounce.

- GBP/USD is trying to bounce near the 1.03324 strong support. Hourly support and resistance are given at 1.3324 (19/12/2017 low) and 1.3458 (11/01/2017 low). The technical structure suggests further downside.
- The long-term technical pattern is reversing. The Brexit vote had paved the way for further decline but the pair is moving to 2016 highs. Long-term support and resistance are given at 1.1841 (07/10/2017 low) and 1.5018 (24/06/2016 high).

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

USD / JPY



**Breaks uptrend support.**

- USD/JPY has breached the key uptrend support at 110.15. The short-term technical structure is negative. Strong support and resistance are located at 108.74 (25/01/2018 low) and 111.48 (18/01/2018 high). The technical structure suggests short-term sideways trading moves.
- We favor a long-term bearish bias. Support remains at 101.20 (09/11/2016 low). A gradual rise toward the major resistance at 125.86 (05/06/2015 high) seems unlikely. Expected to decline further support at 101.20 (09/11/2016 low). The pair trades slightly above its 200 DMA.

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

USD / CHF



**Bearish consolidation.**

- USD/CHF's has broken the support at 0.9916 (26/12/2017 high), validating a bearish reversal pattern with a downside risk at 0.9755. Key support and resistance given at 0.9755 (10/01/2018 low) and 1.0091 (09/05/2017 high) are maintained. The technical structure suggests short-term sideways trading moves.

- In the long-term, the pair is still trading in range since 2011 despite some turmoil when the SNB unpegged the CHF. Key support lies at 0.9072 (07/05/2015 low) while resistance at 1.0344 (15/12/2016 high) is distanced. The technical structure favours a long term bullish bias since the unpeg in January 2015.

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

USD / CAD



Sideways.

- USD/CAD is still swinging. Hourly support and resistance are given at 1.2621 (23/02/2018 low) and 1.3001 (05/03/2018 high). The technical structure suggests short-term upward moves.
- In the longer term, the pair is trading between resistance point at 1.3805 (05/05/2017 high) and support at 1.2128 (18/06/2015 low). Strong resistance is given at 1.4690 (22/01/2016 high). The pair is likely to head lower. The pair is trading above its 200 DMA.

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

AUD / USD



**Bullish bounce.**

- AUD/USD is trying to bounce after the break of the supports at 0.7652 and 0.7502. Hourly support and resistance remain at 0.7412 (09/05/2018 low) and 0.7813 (19/04/2018 high). The technical structure suggests short-term increase.
- In the long-term, the upward trend slows down after failing to reach key resistance at 0.8164 (14/05/2015 low). Key support stands at 0.6009 (31/10/2008 low). A break of the key resistance at 0.8164 (14/05/2015 high) is needed to invalidate our long-term bearish view.

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

EUR / GBP



Choppy sideways.

- EUR/GBP bounce has shifted into a sideways pattern. Hourly support and resistance are given at 0.8668 (22/03/2018 low) and 0.8838 (23/02/2018 high). The technical structure suggests short-term upward moves.

- In the long-term, the pair has largely recovered from 2015 lows. The technical structure suggests further upside pressure. Strong resistance can be found at 0.9500 (psychological level) while support remains at 0.8304 (05/12/2016 low). The pair is trading below its 200 DMA.

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



EUR / CHF



Remains weak.

- EUR/CHF is trying to bounce after the breach of the key support at 1.1675 (03/09/2018 low), confirming increasing selling pressures. Monitor the test of the key support at 1.1463.
- In the longer term, the technical structure has reversed. Strong resistance at 1.20 (level before the unpeg) is now at reach. The ECB's slowing QE program is likely to cause buying pressures on the euro, which should weigh in favour of the EUR/CHF. Support and resistance can be found at 1.0624 (24/06/2016 low) and 1.2097 (18/12/2014 high).

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

GOLD (in USD)

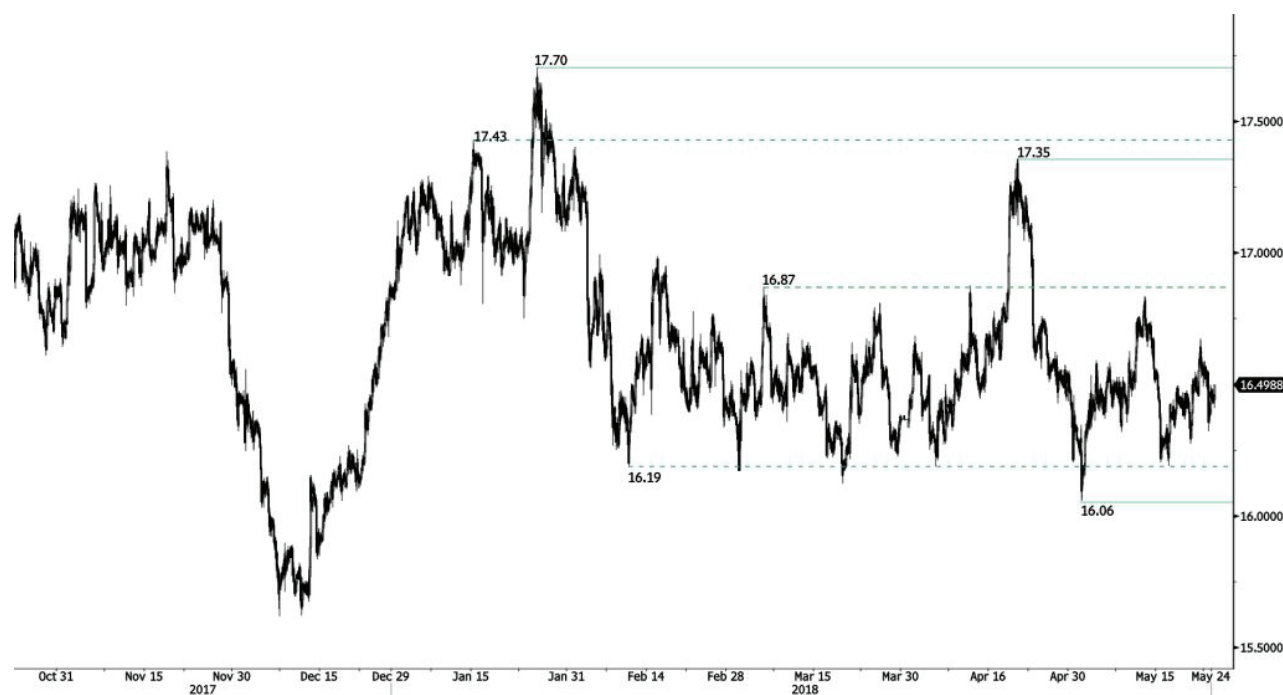


Stabilizing near lows.

- Gold remains weak below resistance at 1300, indicating persistent selling pressures. Hourly support and resistance are given at 1263 (21/12/2017 low) and 1329 (08/03/2018 high). The technical structure suggests short-term downward moves.
- In the long-term, the technical structure suggests that there is a growing upside momentum. A break of 1'392 (17/03/2014) is required to confirm it. A major support can be found at 1'045 (05/02/2010 low). The pair is trading below its 200 DMA.

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

SILVER (in USD)



**Direction-less.**

- Silver is consolidating. Hourly support and resistance are given at 16.05 (19/12/2017 low) and 16.87 (06/03/2018 high). The technical structure suggests short-term decrease.
- In the long-term, the trend remains negative/sideways. Further downside is very likely. Resistance is located at 21.58 (10/07/2014 high). Strong support can be found at 11.75 (20/04/2009). The pair is trading below its 200 DMA.

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

CRUDE OIL (in USD)



**Bullish pause.**

- Crude oil is holding after, breaking 72 psychological level. The road is wide opened for further rise. The bullish pattern started in mid-February 2018 is strengthens. Hourly support and resistance are given at 65.56 (17/04/2018 low) and 73.56 (28/11/2014 high). The technical structure suggests further short-term upward moves.

- In the long-term, crude oil has recovered after its sharp decline last year. However, we consider that further weakness is very likely. For the time being, the pair lies in an upside trend since June 2017. Support lies at 42.20 (16/11/2016) while resistance is located at 77.83 (20/11/2014). Crude oil is trading largely above its 200 DMA.

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

BITCOIN (in USD)



Thin demand.

- Bitcoin bullish momentum quickly faded suggesting persistent selling pressure. The pair is contained between strong support and resistance given at 6306 (13/11/2017 low) and 10232 (01/02/2018 high). The technical structure suggests short-term decrease.
- In the long-term, the digital currency has had an exponential growth but also presented important downturns. There is decent likelihood that the currency could stabilize between 7'000 - 12'000 in 2018. Bitcoin is trading below its 200 DMA (8500 range).

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