

Ikon Daily Markets Analysis

Economic Development:

- Asian shares rose on Tuesday on hopes of a compromise in the U.S. fiscal crisis, while the euro fell after Moody's Investors Service scrapped France's top-notch credit rating, reminding investors of the downside risk from the euro zone debt woes.
- Gold prices fell in Asian trading on Tuesday after Moody's announced it had downgraded France's sovereign ratings, which wiped out appetite for risk and sent investors dashing for the dollar.
- Gold rose earlier on hopes the U.S. will steer itself away from a fast-approaching fiscal cliff, a combination of tax hikes and deep spending cuts due to take effect at the same time early next year.
- Sales of previously owned U.S. homes unexpectedly climbed in October, data showed yesterday. Moody's downgraded France to Aa1 from Aaa and maintained a negative outlook for Europe's second-largest economy.



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Why Choose
Ikon Markets?

- The drop in financing costs indicates efforts by Federal Reserve policy makers are paying off. The central bank is pressing ahead with record easing, including a plan to buy \$40 billion a month of mortgage-backed securities, intending to spur growth and reduce a 7.9 percent unemployment rate.
- Prospects that Greece will get a lifeline to stay solvent also helped boost markets, but the euro zone's debt crisis saw Moody's cut France's government bond rating to Aa1 and kept its negative outlook, citing the country's uncertain fiscal outlook and deteriorating economic prospects.
- Euro zone finance ministers are expected to give a tentative go-ahead for the disbursement of 44 billion euros in emergency loans to Greece at a meeting later on Tuesday. The ministers will also discuss how to reduce Greek debt and provide two extra years of external financing to help the country achieve its fiscal targets.
- European finance ministers will try to plug a 15 billion-euro (\$19 billion) hole in Greece's finances and win over the International Monetary Fund in the latest installment of three years of debt-crisis brinkmanship.
- Last week's decision to grant Greece two extra years, to 2014, to cut its deficit to 2 percent of gross domestic product without offering debt relief stirred tensions with the IMF, provider of about a third of 148.6 billion euros in loans funneled to Greece since

Intraday RESISTANCE LEVELS

20th November 2012	R1	R2	R3
GOLD-XAU	1,737.90	1,744.25	1,755.40
Silver-XAG	33.40	33.60	33.90
Crude Oil	89.80	90.30	90.90
EURO/USD	1.2820	1.2920	1.3010
GBP/USD	1.5980	1.6075	1.6135
USD/JPY	81.500	81.900	82.250

Intraday SUPPORTS LEVELS

20th November 2012	S1	S2	S3
GOLD-XAU	1,723.70	1,712.50	1,704.50
Silver-XAG	32.90	32.50	32.05
Crude Oil	88.80	87.91	86.20
EURO/USD	1.2750	1.2695	1.2635
GBP/USD	1.5850	1.5780	1.5575
USD/JPY	80.500	79.900	79.650

2010.

- The Bank of Japan held off from monetary easing after expanding asset purchases in September and October, switching the focus to a December meeting where more measures are forecast to shore up a shrinking economy.
- The central bank kept its key interest rate unchanged between zero and 0.1 percent and monthly purchases of government bonds at 1.8 trillion yen, today's statement showed.
- Elsewhere in Asia, Chinese foreign direct investment fell for a fifth month in October. The Reserve Bank of Australia said more interest-rate reductions may be appropriate to spur growth as the nation's mining boom wanes, according to minutes of its Nov. 6 policy meeting at which it held its key rate.
- Oil traded near the highest price in a month in New York on concern that Middle East unrest will disrupt supplies, countering speculation stockpiles rose for a third week in the U.S.

Intra-Day Strategy (20th November 2012)

GOLD-XAU	Neutral to Positive
Silver-XAG	Neutral to Positive
Crude Oil	Neutral to Positive
EURO/USD	Neutral to Negative
GBP/USD	Neutral to Negative
USD/JPY	Neutral

Time(GMT+5)	Currency	Impact	Event	Forecast	Previous
12:30pm	AUD	High	RBA Gov Stevens Speaks		
12:30pm	CHF	Medium	Trade Balance	2.36B	1.93B
12:30pm	EUR	Medium	German PPI m/m	0.10%	0.30%
Tentative	JPY	High	BOJ Press Conference		
All Day	EUR	High	Eurogroup Meetings		

7:00pm	CAD	Medium	Wholesale Sales m/m	0.50%	0.50%
7:00pm	USD	High	Building Permits	0.87M	0.89M
7:00pm	USD	Medium	Housing Starts	0.84M	0.87M
7:30pm	USD	Medium	FOMC Member Lacker Speaks		
10:45pm	USD	High	Fed Chairman Bernanke Speaks		

Gold – XAU

Gold (spot) up on Monday made its intraday high of US\$1735.45/ ounce after setting intraday low of US\$1713.94/ounce. Gold settled up by 1.00% at US\$1731.45/ounce.

Intraday Support Levels

S1	1,723.70
S2	1,712.50
S3	1,704.50

Intraday Resistance Levels



Technicals in Focus:

In daily charts, prices are sustaining below 50DMA (1744) level become immediate resistance level for gold. MACD is below the zero line but histogram are in increasing mode will bring bullish stance in the upcoming sessions. RSI is in neutral region and indicating buy stance. The Stochastic Oscillator has entered in

R1	1,737.90
R2	1,744.25
R3	1,755.40

Closing Snapshot

Close	1,731.45
High	1,735.45
Low	1,713.94
Chg(%)	1.002%

Technical Indicators

Name	Value	Action
14DRSI	49.560	Buy
20-DMA	1713.50	Buy
50-DMA	1741.60	Sell
100-DMA	1682.65	Buy
200-DMA	1662.70	Buy
STOCH(5,3)	38.082	Buy

overbought territory and gave positive crossover to confirm bullish stance.

In line with our expectations, support around 1705.28 produced a recovery on Friday, which can extend to 1723.94 – 1727.01 area. Any reaction from said resistance would seek support at 1718.96 and 1712.44 levels. In our view, immediate base support in 1710.76 – 1734.98 has enough potential to allow further strength towards 1735.25 and 1748 (61.8% retracement). Buy on weakness towards 1718.96 and 1712.44 with risk below 1705.92.

Trading Strategy: Neutral to Positive

Intraday supports reside around 1722-1712, whereas resistance levels exist around 1738-1744 and 1754-1766. Sell in 1738-1742 with risk above 1744 1 hourly closing, targeting 1721-1712 and 1707-1698. Buy in 1722-1712 with the risk below 1705 daily closing; targeting 1734-1738 and 1744-1754.

Silver - XAG

Silver (spot) closed up on Monday made its intraday high of US\$33.21/ ounce after setting intraday low of US\$32.30/ounce. Silver settled up by 2.44% at US\$33.09/ounce.

MACD(12,26,9)

-3.167

Sell

Intraday Support Levels

S1	32.90
S2	32.50
S3	32.05



Technical in Focus:

In daily charts, silver is sustaining below 50DMA (33.20), breakage above 33.10 will lead to 33.40-34.30. MACD is below the zero line but histogram are also in increasing mode will bring bearish stance in the upcoming sessions. RSI is in Neutral region and is indicating bullish stance. The Stochastic Oscillator

Intraday Resistance Levels

R1	33.40
R2	33.60
R3	33.90

Closing Snapshot

Close	33.09
High	33.21
Low	32.30
Chg(%)	2.44%

TECHNICAL INDICATORS

Name	Value	Action
14DRSI	52.261	Buy
20-DMA	32.06	Buy
50-DMA	33.18	Sell
100-DMA	30.97	Buy
200-DMA	30.89	Buy
STOCH(5,3)	51.879	Buy

is in overbought territory but giving positive crossover to confirm bullish stance for today.

Support round 32.09 continues prevent a weakness in XAG. We continue to expect further appreciation towards the 50% retracement at 33.01. Above there, aim for 33.62 – 34.03. On the downside, a relapse below 32.09 would expose weakness towards 31.22. Today, buy on weakness up to 32.30 with risk below 32.09.

Trading Strategy: Neutral to Positive

Buyers can buy around 32.50-32.90 with risk below 32 closing; targeting 33.40-33.65.

MACD(12,26,9)

-0.070

Buy

Oil - WTI

Crude futures (October 2012) on Monday made an intra - day high of US\$87.27/bbl and made an intraday low of US\$87.13/bbl and settled the day up by 2.10% at US\$89.10/bbl on session close.

Intraday Support Levels

S1	88.80
S2	87.91
S3	86.20

Intraday Resistance Levels



Technical in Focus:

In daily charts, oil is sustaining below its 100DMA i.e 90.60, which is a very strong resistance and breakage above will lead to 91.70-92.80. MACD is below the zero line and histograms are in decreasing mode will bring bearish stance in the upcoming sessions. The Stochastic Oscillator is now in oversold territory

R1	89.80
R2	90.30
R3	90.90

Closing Snapshot

Close	89.11
High	87.27
Low	87.13
Chg(%)	2.10%

TECHNICAL INDICATORS

Name	Value	Action
14DRSI	51.041	Neutral
20-DMA	86.09	Sell
50-DMA	90.01	Sell
100-DMA	90.92	Sell
200-DMA	94.30	Sell
STOCH(5,3)	77.063	Sell
MACD(12,26,9)	-1.252	Sell

but still signaling to sell as it gave negative crossover for confirmation to bearish stance; while the RSI is in neutral region.

Friday's recovery through 87.30 may extend further towards 88.33 – 88.97 area. Any reaction from said resistance would seek cushion around 87.29 and 85.93. To confirm a bullish reversal, WTI would require a break above 89.22. In the meantime, we maintain cautious stance. Today, traders are suggested to sell in 88.33 – 88.97 with risk above 89.22.

Trading Strategy: Neutral to Positive

Sell in 88.30-88.90, targeting 85.60-84.05. Upside penetration of 88.90 might call for 90.30-90.90.

EUR/USD

EUR/USD on Monday made an intra – day low of US\$ 1.2739/EUR and made an intraday high of US\$1.2819/EUR and settled the day 0.50% above at US\$1.2812/EUR on session close.

Intraday Support Levels

S1	1.2750
S2	1.2695
S3	1.2635



Technical in Focus:

In daily charts, prices are sustaining above 200DMA (1.2820), which become strong support level, break below will target 1.2545-1.2460. MACD has crossed zero line and now giving a buy signal. Stochastic has entered overbought territories and also gave the negative signal to have bearish outlook for

Intraday Resistance Levels

R1	1.2820
R2	1.2920
R3	1.3010

Closing Snapshot

Close	1.2812
High	1.2819
Low	1.2739
Chg(%)	0.509%

TECHNICAL INDICATORS

Name	Value	Action
14DRSI	36.0	Buy
20-DMA	1.2830	Sell
50-DMA	1.2909	Sell
100-DMA	1.2704	Buy
200-DMA	1.2729	Buy

intraday.

EUR/USD pair has consolidated below the previous broken neckline of our detected double top pattern for the most of the previous week as seen on the provided daily chart. SMA 20 should add additional strength for the aforesaid resistance to keep the classical pattern valid as well. Having said so, we still see chances for witnessing potential downside movements during this week mainly targeting 1.2590 boundaries; noting that a sustained breakout above 1.2890 areas will shift the bias to neutral.

Trading Strategy: Neutral to Negative

Sell in 1.2820-1.2920 with stop loss above 1.3000; targeting 1.2750-1.2725 and 1.2665-1.2635. Buy in 1.2690-1.2725 with risk below 1.2665; targeting 1.2870-1.2920 and 1.3010-1.3050.

GBP/USD

GBP/USD on Monday made an intra - day low of US\$1.5885/GBP and made an intraday high of US\$1.5922/GBP and settled the day down by 0.025% at US\$1.5801/GBP on session close.

STOCH(5,3)	50.905	Sell
MACD(12,26,9)	-0.0061	Sell

Intraday Support Levels

S1	1.5850
S2	1.5780
S3	1.5575

Intraday Resistance Levels



Technical in Focus:

In daily charts, prices are sustaining above 200DMA (1.5835) is become good support level to buy. 14-D RSI is currently in overbought region at 50 giving sell signal. MACD is now in negative and indicating decreasing histograms; sell stance. MACD turned bullish while Stochastic should cause some kind of

R1	1.5980
R2	1.6075
R3	1.6135

Closing Snapshot

Close	1.5801
High	1.5922
Low	1.5885
Chg(%)	-0.025%

TECHNICAL INDICATORS

Name	Value	Action
14DRSI	43.293	Buy
20-DMA	1.5982	Sell
50-DMA	1.6070	Buy
100-DMA	1.5878	Buy
200-DMA	1.5850	Buy
STOCH(5,3)	48.168	Buy
MACD(12,26,9)	-0.0049	Sell

fluctuation sooner. The Stochastic Oscillator is in oversold territory and gave for positive crossover to confirm bullish stance.

Pair has fallen sharply below its 200-day moving average during the previous period, finding modest support at 1.5820 pivotal support regions as seen on the provided daily chart. The recent mild bounce from the aforementioned support has alleviated the oversold condition in the RSI 14 indicator but we still can notice that a bearish momentum channel has been drawn on the indicator. To recap, the current retracement should be well-capped below 1.60 figures while re-visiting 1.58 territories followed by 1.5740 will be likely in the cards.

Trading Strategy: Neutral to Negative

Buying the pair above 1.5820-1.5880 targeting 1.6075-1.6125 and 1.6190; stop loss with four-hour closing below 1.5845. Selling the pair in 1.6075-1.6100 targeting 1.5820-1.5780 and stop loss above 1.6135 might be appropriate.

USD/JPY

USD/JPY on Friday an intra - day low of JPY81.080/USD and made an intraday high of JPY 81.582/USD and settled the day 0.015% above at JPY81.404/USD on session close.

Intraday Support Levels

S1	80.500
S2	79.900
S3	79.650

INTRADAY RESISTANCE LEVELS

R1	81.500
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Technical in Focus:

In daily charts, JPY is sustaining below 200DMA (79.645), which is strong resistance on the daily chart. MACD has entered above zero line but histograms are also suggesting downward movement. The Stochastic Oscillator is in oversold territory now and signaling to sell as it has given negative crossover to confirm

R2 81.900

R3 82.250

Closing Snapshot

Close 81.404

High 81.582

Low 81.080

Chg(%) 0.015%

TECHNICAL INDICATORS


Name	Value	Action
14DRSI	69.503	Sell
20-DMA	69.503	Sell
50-DMA	79.048	Buy
100-DMA	78.900	Buy
200-DMA	79.743	Sell
STOCH(9,6)	88.781	Sell
MACD(12,26,9)	0.473	Buy

bearish stance.

Following the sharp inclines that took the USD/JPY pair towards the initial resistance level of 81.50, we have witnessed a technical pause started on past Thursday. The sensitivity of the current trading level in addition to the overbought condition appearing on RSI 14 forces us to stand aside until the pair proves its ability to take out 81.50 areas; noting that risk versus reward ratio is very high. Finally, a daily closing above 81.50 will assist traders to challenge 82.25 and probably 84.15 in the near term.

Trading Strategy: Neutral

Based on the charts and explanations above our opinion; buying the pair above 79.05-79.25 targeting 79.95-80.25 and 80.75-81.50 with stop loss below 78.50 might be appropriate.

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