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Trade Pattern Ideas

XAU/USD 1H Chart: Channel Down



Comment: As it has just turned out, the upper boundary of the descending channel failed to contain the latest recovery. The price is now probing the long-term moving average, which appears to be one of the last reasons to remain bearish on gold. If resistance at 1,069 is broken, the exchange rate will likely rise through the weekly R1 towards the December 24 high at 1,077.

At the same time, in case the bears manage to push the bullion back below 1,066 (weekly and monthly PP), the negative outlook will be restored, and after a test of the December 31 low the sell-off will be expected to extend to 1,054, where the lower trend-line merges with the weekly S1 level.

	Level	Rationale
Resistance 4	1,082	Dec 21 high
Resistance 3	1,077	Dec 24 high
Resistance 2	1,073	Weekly R1
Resistance 1	1,069	200-hour SMA
Support 1	1,067	Down-trend
Support 2	1,066	Weekly and monthly PP
Support 3	1,058	Dec 31 low
Support 4	1,054	Weekly S1; down-trend

Indicator/Period	1H	4H	Day
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Sell	Neutral	Neutral
ADX (14)	Buy	Neutral	Neutral
CCI (14)	Sell	Neutral	Neutral
AROON (14)	Buy	Sell	Buy
Alligator (13; 8; 5)	Buy	Sell	Neutral
SAR (0.02; 0.2)	Buy	Buy	Sell

EUR/SEK 4H Chart: Channel Down



Comment: Our bias with respect to the Euro is negative. The currency has been in a down-trend since last year's August, and for the time being there seem to be no reasons to change the outlook. In addition, EUR/SEK has formed a high-quality bearish channel, and a majority of the technical indicators on all three relevant time-frames is pointing south. Accordingly, over the next few weeks the price should descend from 9.19 to the 2015 maximum at 9.06. In the meantime, a close above 9.19 will not imply a prolonged rally because of a number of strong resistances lying overhead, such as the December 30 high at 9.2070 and a combination of the weekly R1 and monthly PP at 9.2277/52.

	Level	Rationale
Resistance 4	9.2528	200-period SMA
Resistance 3	9.2277/52	Weekly R1; monthly PP
Resistance 2	9.2073	Dec 30 high
Resistance 1	9.1900	Down-trend
Support 1	9.1741	Weekly PP
Support 2	9.1288/28	Weekly S1; Dec low
Support 3	9.0777/52	Weekly S2; monthly S1; down-trend
Support 4	9.0600	2015 low

Indicator/Period	4H	Day	Week
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Neutral	Neutral	Neutral
ADX (14)	Sell	Neutral	Neutral
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Sell	Sell	Sell
Alligator (13; 8; 5)	Neutral	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell



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