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Trade Pattern Ideas

XAG/USD 4H Chart: Channel Down



Comment: As things stand now, silver is likely to keep losing value. Any near-term rallies are to be limited by the upper boundary of the emerging channel at 14.30, while the key support is at 13.90, represented by the falling support trend-line, Nov low and weekly S1. If this demand level is broken, the next target should be 13.45, namely the weekly S3 and monthly S1. In the meantime, in case the bulls overpower bears at 14.30, we may well see a test of the 200-period SMA at 14.80, though the rate will have to pass through the Nov 26 high and monthly PP first. Another reason to be bearish is a high percentage of long positions—they take up three fourths of the SWFX market.

| | Level | Rationale |
|--------------|---------|--------------------------------|
| Resistance 4 | 14.5400 | Monthly PP |
| Resistance 3 | 14.4000 | Weekly R1; Nov 26 high |
| Resistance 2 | 14.3000 | Down-trend |
| Resistance 1 | 14.1550 | Weekly PP |
| Support 1 | 13.9000 | Weekly S1; Nov low; down-trend |
| Support 2 | 13.6800 | Weekly S2 |
| Support 3 | 13.4500 | Weekly S3; monthly S1 |
| Support 4 | 12.8900 | Monthly S2 |

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

GBP/NZD 1H Chart: Channel Down



Comment: There are almost no reasons to be bullish on the Sterling at the moment. GBP/NZD has just bounced off of the upper edge of the descending channel, and the nearest significant demand area is only at 2.2430, created by the weekly S3 and October low. However, a rally is expected to start lower, near the lower trend-line. At the same time, the four-hour and daily technical indicators imply a negative bias, and the SWFX sentiment is bullish, again meaning there might not be enough room for new buyers to enter the market. Even if there is a sudden jump through 2.2730, there will still be the Dec 3 high and the 200-hour SMA preventing further development of a recovery.

| | Level | Rationale |
|--------------|--------|-----------------------------------|
| Resistance 4 | 2.2840 | Daily R1; weekly S1; 200-hour SMA |
| Resistance 3 | 2.2790 | Dec 3 high |
| Resistance 2 | 2.2730 | Down-trend |
| Resistance 1 | 2.2655 | Weekly S2 |
| Support 1 | 2.2612 | Daily PP |
| Support 2 | 2.2430 | Daily S1; weekly S3; Oct low |
| Support 3 | 2.2300 | Down-trend |
| Support 4 | 2.2212 | Daily S2 |

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



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