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Trade Pattern Ideas

EUR/USD 1H Chart: Channel Up



Comment: Both the short- and long-term outlooks on EUR/USD are bullish. Today the currency pair is expected to extend its current rally up to 1.1470/60, where we expect the Euro to start a downward correction. The downside, however, is limited, and not only by the lower boundary of the channel, but also by the rising support line that was established in March. There is also a strong demand area near 1.1374, represented by the 200-hour SMA. In the longer-term perspective, the rate should be aiming for 1.1494, namely the 2015 October high. Distribution between the bulls and bears in the SWFX market favour appreciation of the European currency—39% of open positions are long and 61% are short.

	Level	Rationale
R4	1.1520	Weekly R2
R3	1.1500/1.1494	Daily R3; 2015 Oct high
R2	1.1470/59	Daily R2; weekly R1; up-trend
R1	1.1429	Daily R1
S1	1.1393/89	Daily and weekly PP
S2	1.1374	200-hour SMA
S3	1.1359	Daily S1; up-trend
S4	1.1344/33	Weekly S1; up-trend; support level

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

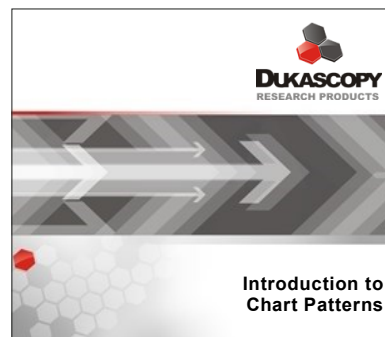
EUR/CHF 1H Chart: Channel Down



Comment: For the time being EUR/CHF is bearish. The currency pair has recently formed a downward-sloping channel, implying that the upside is limited by the falling resistance line at 1.0886/83, while the target is the lower boundary of the pattern at 1.0844/41. The latter area is also reinforced by the April 7 low and daily S2. Alternatively, should the price close above 1.0886/83, the focus will shift to the 200-hour SMA and the April 6 high between 1.0906 and 1.0915. Meanwhile, multi-day decline of the Euro is unlikely, considering that there is an eight-month up-trend at 1.0827. As for the sentiment, a majority of the SWFX market participants is holding long positions, namely 72% of traders.

	Level	Rationale
R4	1.0906	200-hour SMA
R3	1.0891	Daily R1
R2	1.0886/83	Weekly PP; down-trend
R1	1.0876	Daily PP
S1	1.0857	Daily S1
S2	1.0844/41	Daily S2; down-trend; Apr 7 low
S3	1.0833	Weekly S1
S4	1.0827	Up-trend

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



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