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06/04/2016



Trade Pattern Ideas

AUD/USD 4H Chart: Double Top



Comment: Since the beginning of March the Aussie has been appreciating against the US Dollar, eventually forming a double top pattern. Since double tops arise at the end of the upward trends, a bearish trend is soon likely to take over. Technical studies also imply a decline, but in longer timeframes a recovery is possible, suggesting that the pattern might turn into a triple top. This could occur only if demand, represented by the 200-period SMA around 0.7454, is sufficient to cause a rebound. A failure to regain the bullish momentum is to set the AUD/USD pair on a bearish path, until the March low of 0.7108 is reached, with another interim support located at 0.7415, namely the March 16 low. Meanwhile, 68% of traders hold long positions.

	Level	Rationale
R4	0.7771	Weekly R1
R3	0.7738	July 2015 high
R2	0.7632	Weekly PP
R1	0.7581/94	55 and 100-period SMAs
S1	0.7541	Weekly S1
S2	0.7497	Monthly PP
S3	0.7454	200-period SMA
S4	0.7415/03	March 16 low; weekly S2

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

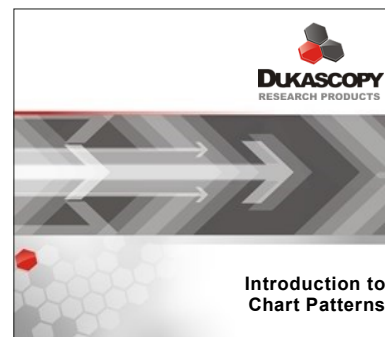
EUR/AUD 1H Chart: Broadening Rising Wedge



Comment: The EUR/AUD cross is now poised for more weakness, as that is the direction, where the rising wedge usually breaks out. Moreover, market sentiment is bolstering this possibility, as 54% of all open positions are short. However, the 55-hour SMA has been reinforcing the wedge's lower border since it first emerged, making it difficult for a breakout to occur just yet. In case this support area is pierced, the exchange rate should continue falling towards the March 30 low of 1.4716; on the other hand, if bulls push the pair higher, the target will be the pattern's resistance line, unless the April's high of 1.5160 manages to reverse the rally earlier. According to technical indicators, the EUR is to continue rising against the Aussie in the medium term.

	Level	Rationale
R4	1.5195	Daily R1
R3	1.516	April high
R2	1.5104	Weekly R2
R1	1.506	Daily PP
S1	1.5015/02	55-hour SMA; up-trend
S2	1.4974/60	Weekly R1; daily S1
S3	1.4939	100-hour SMA
S4	1.4882	200-hour SMA

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



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