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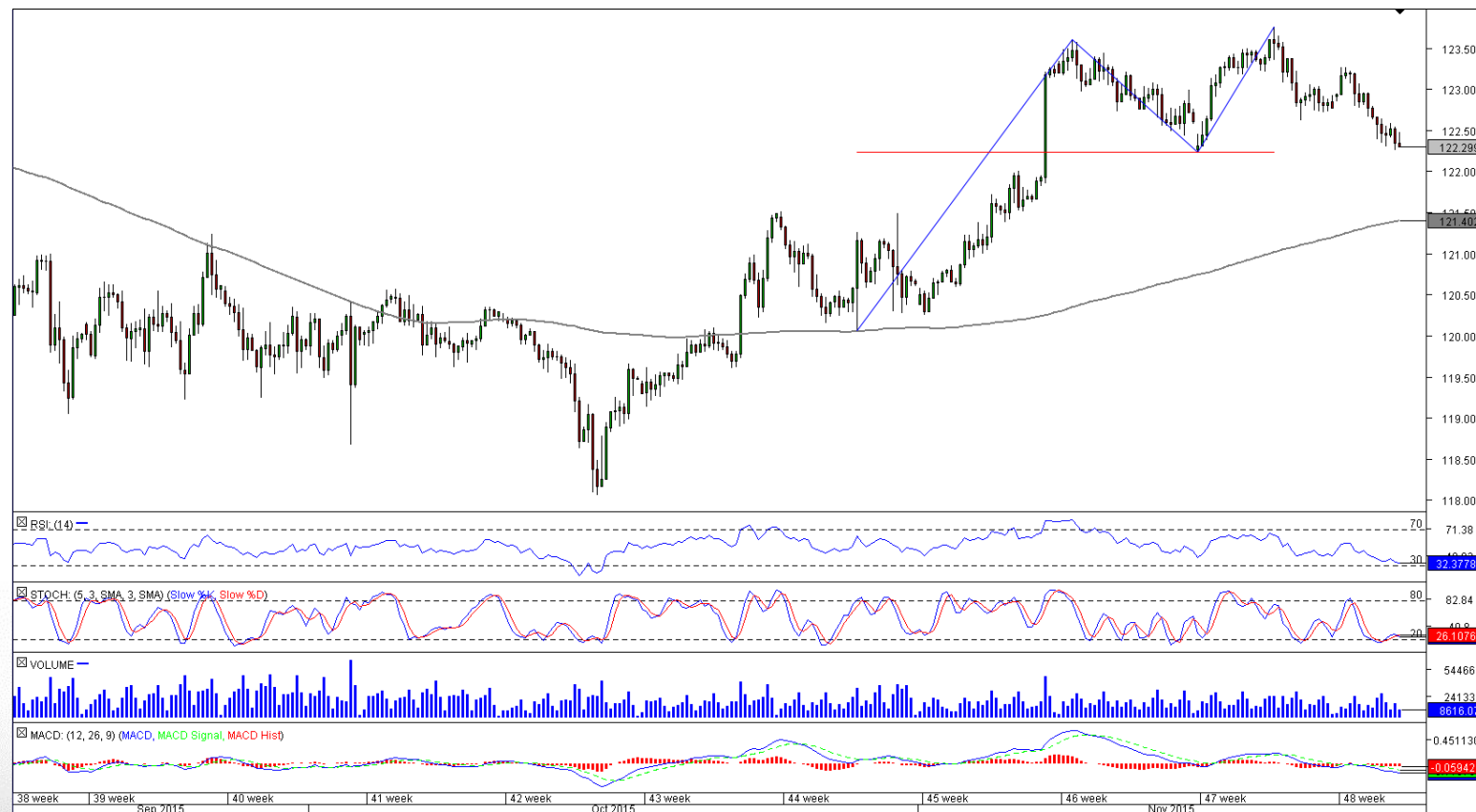
25/11/2015



Trade Pattern Ideas

Wednesday, November 25, 2015
08:30 GMT

USD/JPY 4H Chart: Double Top



Comment: There are good reasons to believe that USD/JPY is bearish that and we should expect a strong sell-off. The currency pair has formed a double top pattern, and most of the four-hour and weekly technical indicators are pointing south. The decline will be confirmed once support at 122.20/08 is broken, and in this case the first target will be the 200-period SMA and weekly S2 at 121.40. If the latter support proves insufficient to negate the downward momentum, the next potential ceiling will be at 120.05, represented by the Oct 20 low and monthly PP. However, we should note that the market is already overcrowded with bears, being that 73% of open positions are short.

	Level	Rationale
Resistance 4	125.20	Weekly R3; Aug high
Resistance 3	124.45	Weekly R2
Resistance 2	123.75/50	Weekly R1; monthly R2; Nov 18 high
Resistance 1	122.92	Weekly PP
Support 1	122.20/08	Weekly S1; monthly R1; Nov 15 low
Support 2	121.40	Weekly S2; 200-period SMA
Support 3	120.55	Weekly S3
Support 4	120.05	Monthly PP; Oct 28 low

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

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EUR/CAD 4H Chart: Descending Triangle



Comment: The outlook on EUR/CAD is currently bearish. The currency pair has remained in a strong down-trend since the end of September, and it has formed a descending triangle, which implies that demand for the Euro is weakening. We expect the price to close beneath 1.4150/27 and then continue going lower. The initial support will be at 1.4040 (weekly S2), but the main target will be a combination of the weekly S3 and monthly S2 at 1.3960/35.

On the other hand, a rally through the falling resistance line at 1.4230 will invalidate the negative bias, and the focus will shift on resistances, such as the Nov 23 high at 1.4280, weekly R1 at 1.4318 and Nov 12 high at 1.4390.

	Level	Rationale
Resistance 4	1.4318	Weekly R1
Resistance 3	1.4281	Nov 23 high
Resistance 2	1.4230	Weekly PP; down-trend
Resistance 1	1.4180	Monthly S1
Support 1	1.4150/27	Weekly S1; Nov 19 low
Support 2	1.4040	Weekly S2
Support 3	1.3960/35	Weekly S3; monthly S2
Support 4	1.3560	Monthly S3

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



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