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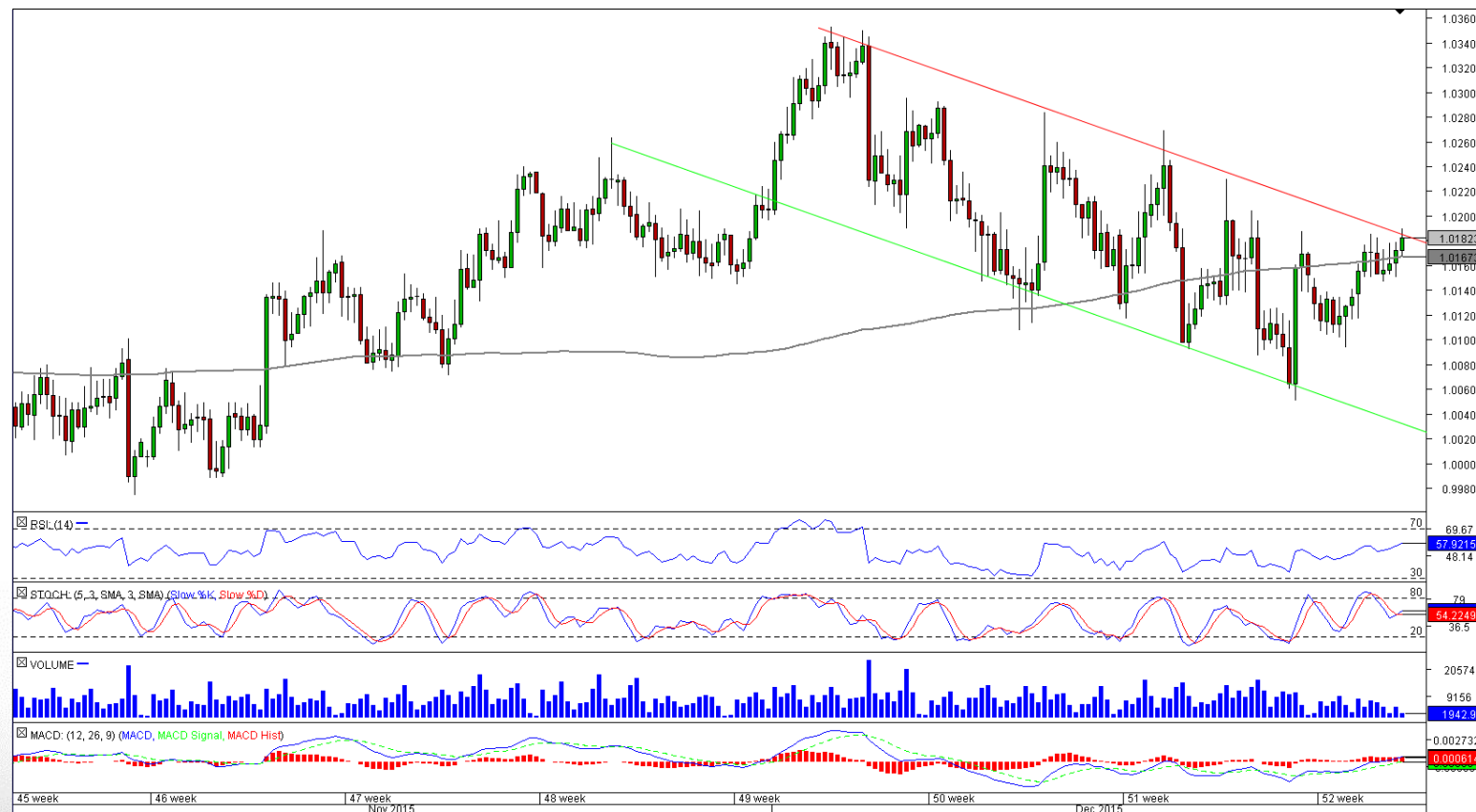
23/12/2015



# Trade Pattern Ideas

Wednesday, December 23, 2015  
08:30 GMT

## AUD/SGD 4H Chart: Channel Down



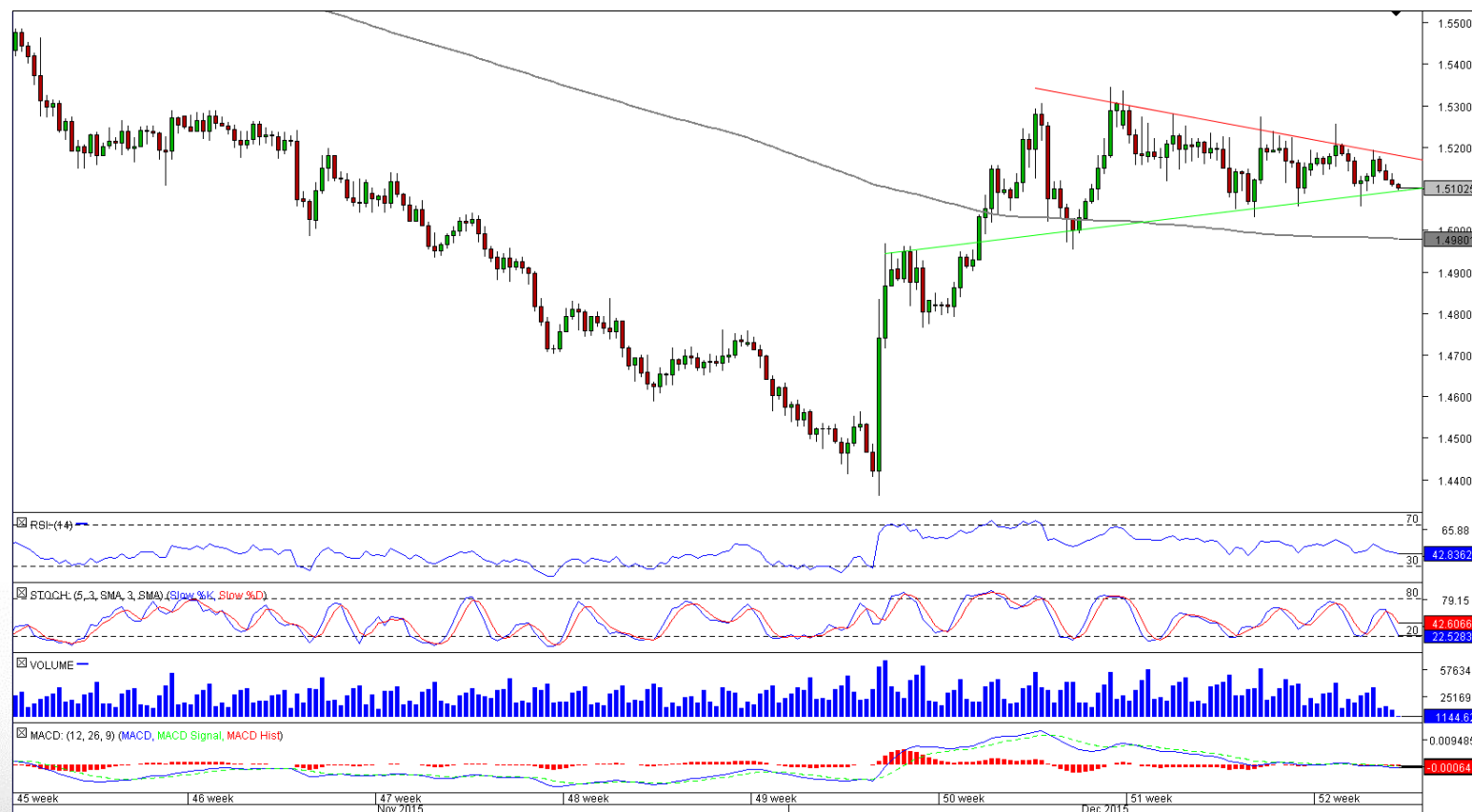
**Comment:** AUD/SGD bounced off of resistance at 1.0350 earlier this month, and since then the currency pair has been in a down-trend. As long as the descending resistance line at 1.0185 is intact, the outlook will be bearish. We expect the price to fall down to the 1.0050/30 area, where the lower edge of the pattern is reinforced by the weekly and monthly S1 levels.

However, there are arguments against the immediate sell-off. First, the four-hour technical indicators are mostly pointing north. Additionally, the SWFX market is overcrowded with bears—71% of positions are short. Above 1.0185 the Aussie will have a good opportunity to retest current December's maximum.

	Level	Rationale
Resistance 4	1.0350	Dec 2 high
Resistance 3	1.0318	Monthly R1
Resistance 2	1.0269/64	Weekly R1; Dec 15 high
Resistance 1	1.0185	Down-trend
Support 1	1.0165/46	Weekly and monthly PP; 200-period SMA
Support 2	1.0050/29	Weekly and monthly S1; down-trend; Dec 18 low
Support 3	0.9975	Nov low
Support 4	0.9939	Weekly S2

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

# EUR/AUD 4H Chart: Triangle



**Comment:** There seem to be more arguments to be bullish the Euro rather than the Aussie. One of the main reasons is a triangle, namely a continuation pattern, that has emerged after a rally. An additional argument is that the currency pair has recently broken through the 200-period SMA, implying that the single currency is set for long-term appreciation. If the price closes above 1.5174, potential obstacles will be at 1.5257/34 and at 1.5344/14, but over the next several weeks we may expect a recovery up to 1.5850. In the meantime, the SWFX market participants do not appear to be convinced by any of the arguments, being that 47% of them are currently long and 53% are short.

	Level	Rationale
Resistance 4	1.5477	Weekly R2
Resistance 3	1.5344/14	Weekly R1; Dec 11 high
Resistance 2	1.5257/34	Monthly R1; Dec 21 high
Resistance 1	1.5174	Weekly PP; down-trend
Support 1	1.5100	Up-trend
Support 2	1.5058	Dec 22 low
Support 3	1.5011	Weekly S1
Support 4	1.4980/54	Dec 10 low; 200-period SMA

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





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