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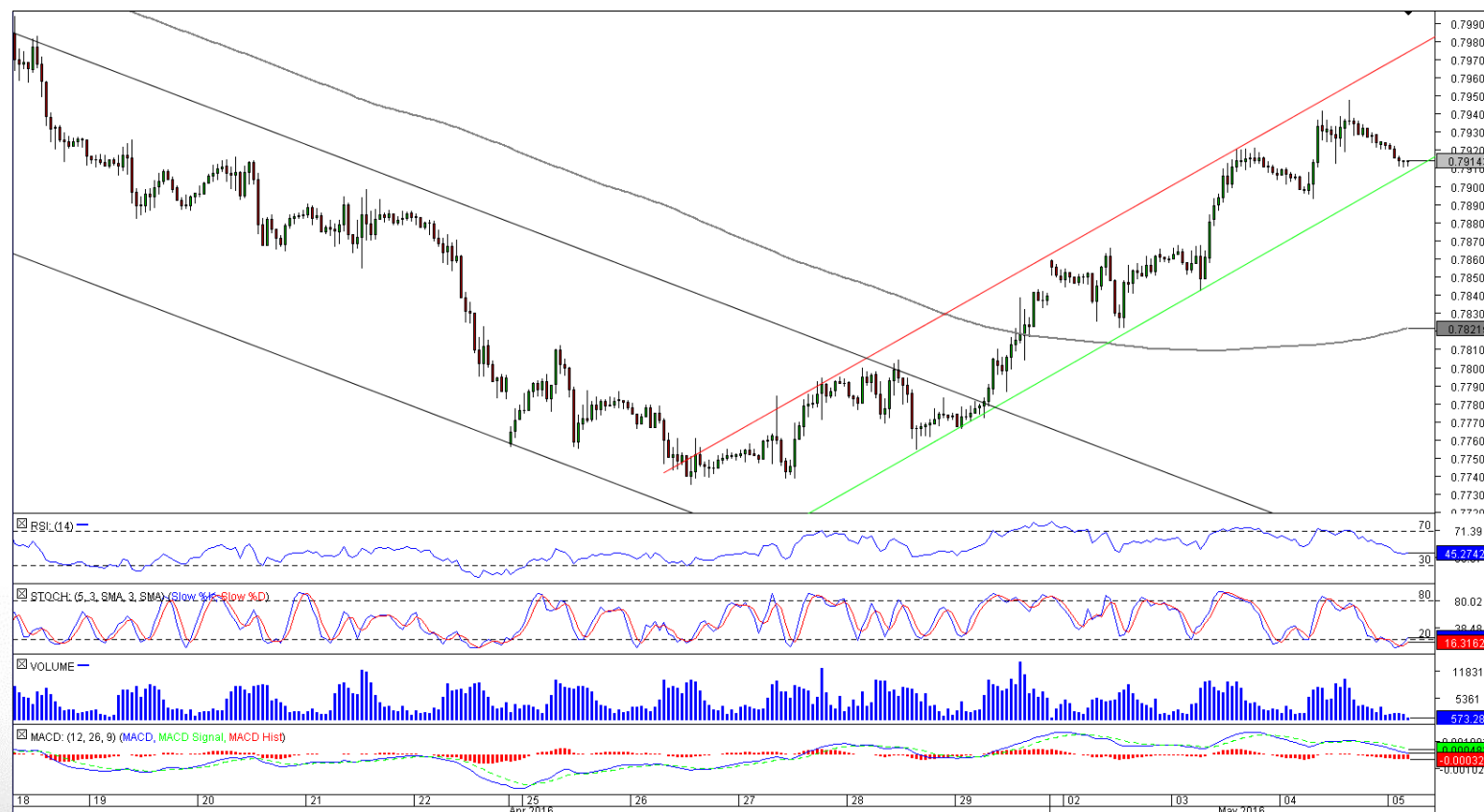
05/05/2016



Trade Pattern Ideas

Thursday, May 05, 2016
07:30 GMT

EUR/GBP 1H Chart: Channel Up



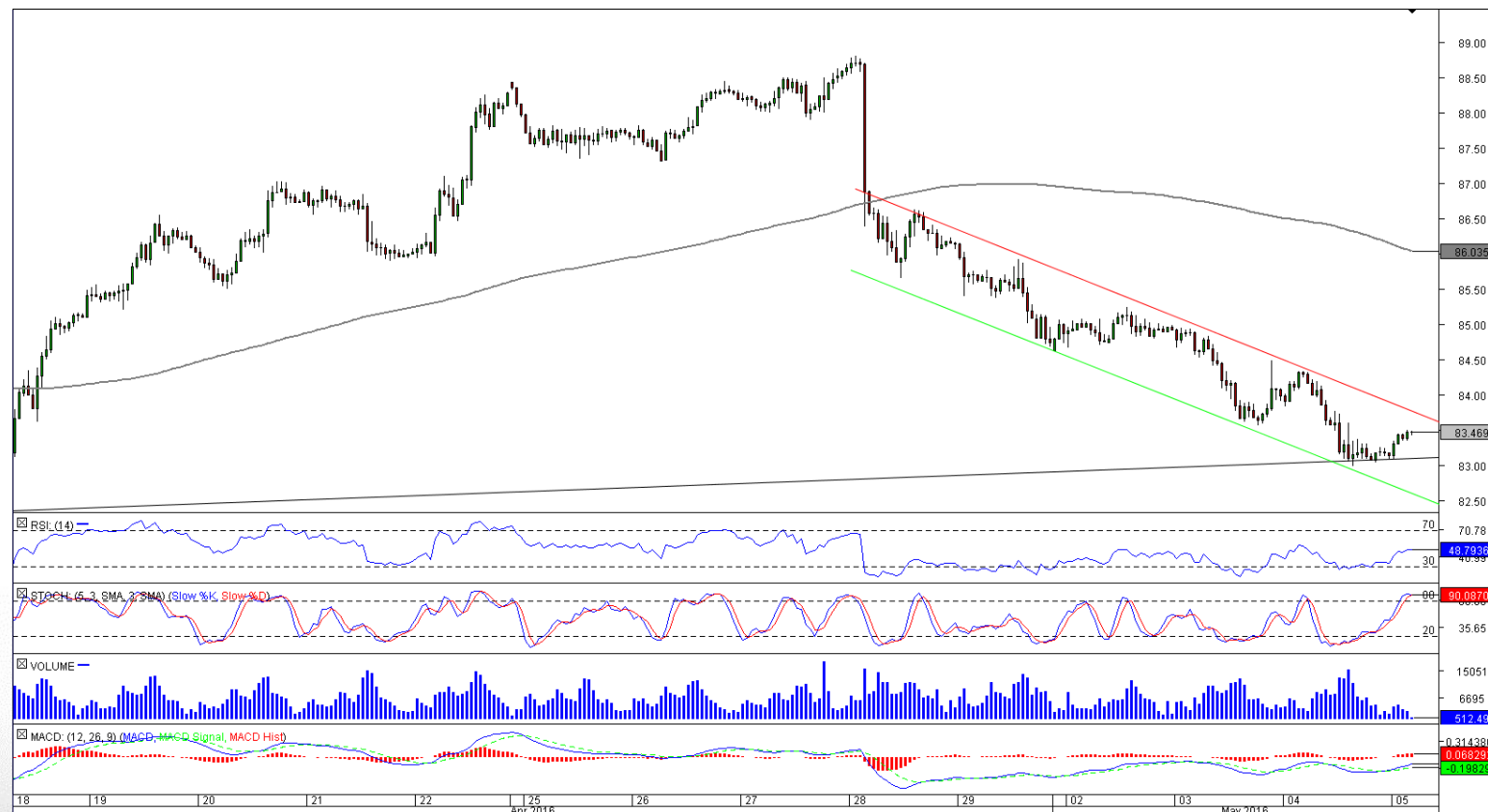
Comment: EUR/GBP has recently broken out of the bearish channel to the upside and subsequently formed a new pattern—an ascending channel. The outlook on the currency pair for the next several days is therefore positive, and we expect the price to rebound from the lower rising trendline and jump over the latest high. However, there are also plenty of arguments against appreciation of the Euro. For one, the single currency is already overbought, being that 72% of currently open positions are long. At the same time, the bias among the technical indicators is to the downside. If the rate closes under 0.7910, the weekly R1 at 0.7876 will become the first target, followed by the May 2 low and 200-hour SMA near 0.7820.

	Level	Rationale
R4	0.7994	Apr 18 high
R3	0.7984/77	Daily R2; weekly R3; up-trend
R2	0.7952/47	Daily R1; May 4 high
R1	0.7923	Daily PP
S1	0.7913/10	Weekly R2; up-trend
S2	0.7898	Daily S1
S3	0.7876/69	Daily S2; weekly R1
S4	0.7844	Daily S3

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

Thursday, May 05, 2016
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CAD/JPY 1H Chart: Channel Down



Comment: The pair's prospects are ambiguous. On the one side, CAD/JPY is currently trading in a bearish channel with a slight majority of technical studies implying weaker Canadian Dollar. On the other hand, there is a four-month support trend-line that may not let the price drop under 83 yen. If it does, however, we should soon see a test of the weekly S2 near 82 yen and potentially of the April low standing at 81.70. Alternatively, in case the down-trend at 83.75 fails to contain demand, the price will be in a good position to launch an attack on 84.30, namely the May 4 high. As for the SWFX sentiment, the distribution of positions is a trifle tilted to the bearish side—42% are long and 58% are short.

	Level	Rationale
R4	85.60	Daily R3
R3	85.24/04	Daily R2; May 2 high
R2	84.33/11	Daily R1; May 4 high
R1	83.75/55	Daily PP; down-trend
S1	83.35	Weekly S1
S2	83.10	Up-trend
S3	82.62/60	Daily S1; down-trend
S4	82.06/81.59	Daily and weekly S2

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



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