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Trade Pattern Ideas

EUR/CAD 1H Chart: Channel Down

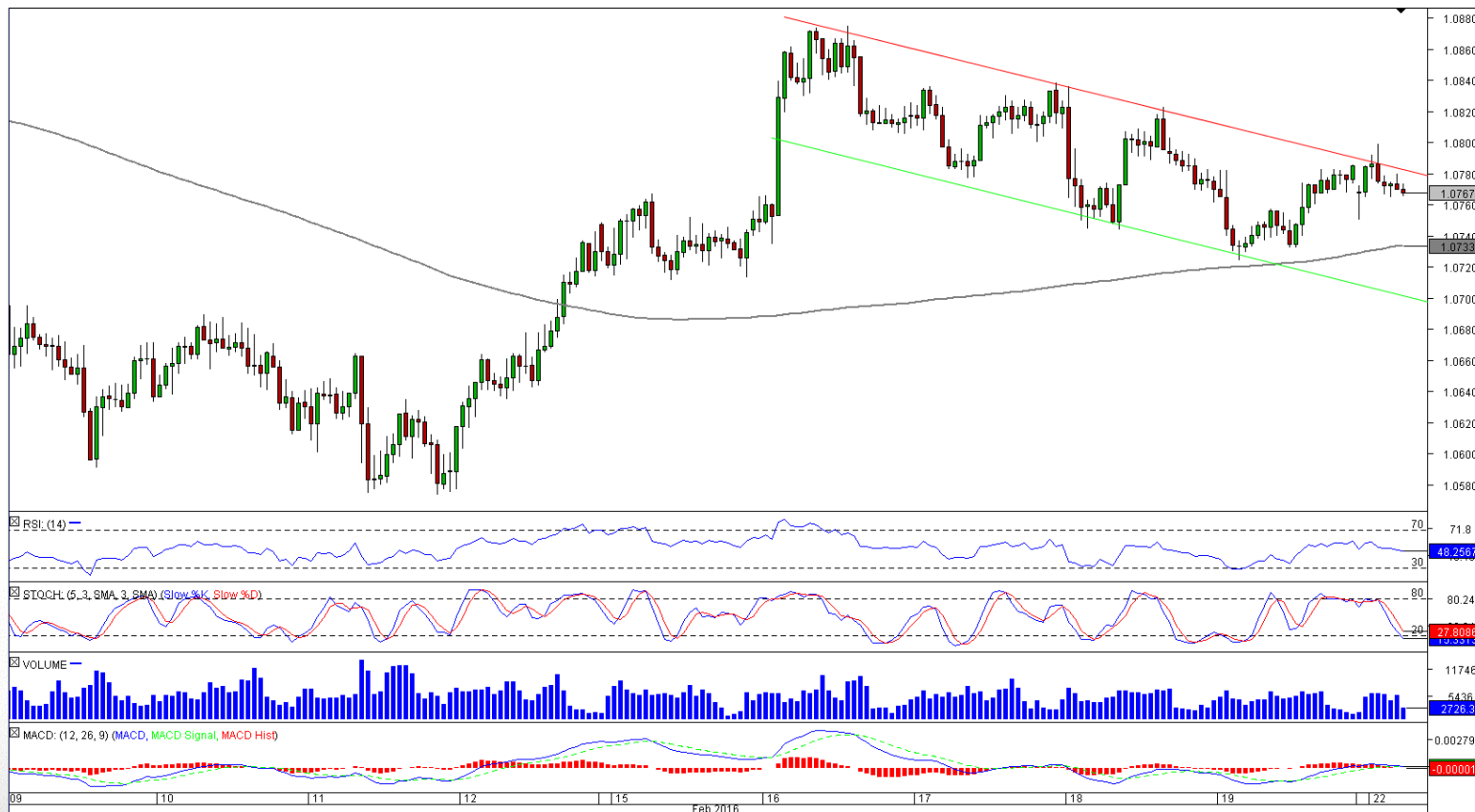


Comment: Although the quality of the pattern is low, the bias towards EUR/CAD is still bearish. The pair is currently trading next to the upper boundary of the potential channel, which is also reinforced by the daily and weekly pivot points. Demand circa 1.5150, however, is going to be a major challenge for the bears, but beneath it the sell-off will be expected to extend down to 1.4950, namely the January low and the lower trend-line of the emerging channel. At the same time, a close above 1.5360/50 will not imply an immediate change in the outlook, being that the 200-hour SMA and daily R2 at 1.5480 are likely to prevent further recovery of the European currency.

	Level	Rationale
Resistance 4	1.5484/77	Daily R2; 200-hour SMA
Resistance 3	1.5404	Daily R1
Resistance 2	1.5357	Weekly PP
Resistance 1	1.5318	Daily PP; down-trend
Support 1	1.5245	Daily S1
Support 2	1.5159/45	Daily S2; Feb low
Support 3	1.5117	Weekly S1
Support 4	1.5086	Daily S3

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

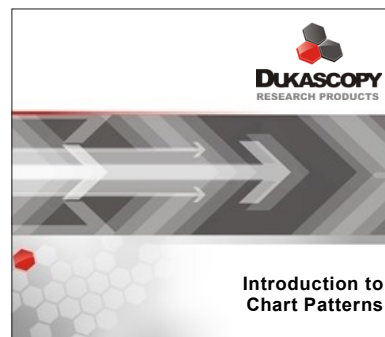
AUD/NZD 1H Chart: Channel Down



Comment: The risks are heavily skewed to the downside. First, AUD/NZD has been trading within the bearish channel for the last four days. Secondly, the pair is right at the upper edge of the pattern. Accordingly, the Aussie should leave the 1.0790/80 supply area and head south. However, there is going to be a significant support zone at 1.0733/24, represented by the Feb 19 low and 200-hour SMA. Below it the price should gravitate towards the lower bound of the channel and the weekly S1 around 1.07. Alternatively, in case the rate jumps out of the channel to the upside, the focus will shift to a major resistance area at 1.0874/66, where the weekly R1 is joined by the daily R3 and Feb 16 high.

	Level	Rationale
Resistance 4	1.0826	Daily R2
Resistance 3	1.0805	Daily R1
Resistance 2	1.0790	Weekly PP
Resistance 1	1.0780	Down-trend
Support 1	1.0765	Daily PP
Support 2	1.0744	Daily S1
Support 3	1.0733/24	Feb 19 low; 200-hour SMA
Support 4	1.0706/00	Daily S2; weekly S1; down-trend

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



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