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Trade Pattern Ideas

EUR/TRY 4H Chart: Channel Down



Comment: Despite a massive sell-off amid Draghi's press conference yesterday, EUR/TRY managed to stay within the boundaries of the channel. At the moment the currency pair is trading right at the lower trend-line, meaning we should see a rally in the near term. The bullish correction is likely to result in a test of the monthly S1 at 3.2739, but the recovery may extend up to the falling trend-line without threatening the overall negative outlook. Even if the price closes above 3.3158, there is a cluster of resistances around 3.37 (Oct 14 high, monthly PP, 200-period SMA) that the pair should have trouble eroding. Our main target is the August low at 3.02.

	Level	Rationale
Resistance 4	3.3158	Weekly PP; down-trend
Resistance 3	3.2739	Monthly S1
Resistance 2	3.2511	Weekly S1
Resistance 1	3.2117	Weekly S2
Support 1	3.1800	Down-trend
Support 2	3.1600	Weekly S3; monthly S2
Support 3	3.0567	Monthly S3
Support 4	3.0219	Aug low

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

GBP/JPY 4H Chart: Channel Up



Comment: There is a bullish channel emerging in the hourly chart of GBP/JPY. In the short run, however, the pair may face difficulties advancing beyond 186.40, where the rising resistance line merges with the monthly R1. Accordingly, we expect a decline back to 184.20 or possibly to 183.50 before the bulls regain control of the market. A close above 186.40 will imply further recovery, potentially up to the September high at 188.40. At the same time, if the pair breaches support at 183.50, the price will be expected to keep sliding lower until it hits 180.50, namely the last month's minimum. The SWFX traders' sentiment is strongly bullish: 70% of positions are long.

	Level	Rationale
Resistance 4	194.31	Monthly R3
Resistance 3	191.35	Monthly R2
Resistance 2	188.40	Weekly R3; Sep high
Resistance 1	186.50	Weekly R2; monthly R1; up-trend
Support 1	185.56	Weekly R1
Support 2	184.23	200-period SMA
Support 3	183.50	Weekly and monthly PP; up-trend
Support 4	182.67	Weekly S1

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



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