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Trade Pattern Ideas

EUR/AUD 4H Chart: Channel Up



Comment: EUR/AUD appears to have formed a bullish channel, and there are plenty of other reasons why the currency pair is likely to rebound from 1.57. Apart from the fact that the price is now testing the rising support line, strong demand nearby is also implied by the monthly S1 and September low at 1.56. Moreover, most of the technical indicators in the daily and weekly charts are pointing upwards. Accordingly, the base case scenario is a rally from 1.57 up to 1.62, where the Euro is expected to meet the upper boundary of the pattern. At the same time, a dive under 1.56 will likely lead to an extension of the decline through the monthly S2 at 1.5280 and down to the August low at 1.47.

	Level	Rationale
Resistance 4	1.6600	Monthly R2; Aug high
Resistance 3	1.6479	Weekly R2
Resistance 2	1.6200	Weekly and monthly R1; Sep high; up-trend
Resistance 1	1.5900	Weekly and monthly PP; 200-period SMA
Support 1	1.5700	Weekly S1; up-trend
Support 2	1.5600	Monthly S1; Sep low
Support 3	1.5460	Weekly S2
Support 4	1.5279	Monthly S2

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

AUD/JPY 4H Chart: Triangle



Comment: The Aussie is expected to weaken not only against the Euro, but also against the Yen. AUD/JPY has just bumped into a falling resistance trend-line, which should trigger a sell-off. This line is also the upper boundary of a symmetrical triangle, which indicates a high possibility of major trend continuation, in this case—a break-out to the downside, through support at 83.40. The next objective will then be 79.40, the October 2012 low. Alternatively, should the price close above 86.30, there will still be a good opportunity for the bears to regain control of the situation at 87.50, the September low, while beyond this level the pair will probably target the August peak at 92.70.

	Level	Rationale
Resistance 4	90.00	Monthly R2
Resistance 3	87.50	Weekly R3; Sep high
Resistance 2	87.00	Monthly R1
Resistance 1	86.30	Weekly R2; down-trend
Support 1	85.30	Weekly R1; 200-period SMA
Support 2	84.50	Weekly and monthly PP
Support 3	83.40	Weekly S1; up-trend
Support 4	82.83	Sep 29 low

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



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