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Trade Pattern Ideas

EUR/PLN 1H Chart: Channel Up



Comment: The currency pair's risks are skewed to the upside. EUR/PLN has recently broken through the three-and-a-half-month down-trend and has formed a bullish channel. The Euro is expected to rebound from a solid support area at 4.2970 and surpass this month's high at 4.3127—the target is the upper boundary of the pattern, which is likely to be tested at 4.3230. The sentiment in the SWFX market (28% of positions are long and 72% are short), is in favour of Euro's recovery. In case the price dips under the lower boundary of the channel, the focus will shift to the Apr 15 low and 200-hour SMA circa 4.29, while an additional demand area is supposed to be at 4.2840/30, created by the daily S2 and weekly S1.

	Level	Rationale
R4	4.3237/34	Daily R2; weekly R1; up-trend
R3	4.3165	Daily R1
R2	4.3127	Apr 8 high
R1	4.3039	Daily PP
S1	4.2970/68	Daily S1; weekly PP; up-trend
S2	4.2914/4.2893	Apr 15 low; 200-hour SMA
S3	4.2842/30	Daily S2; weekly S1
S4	4.2791	Apr 13 low

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

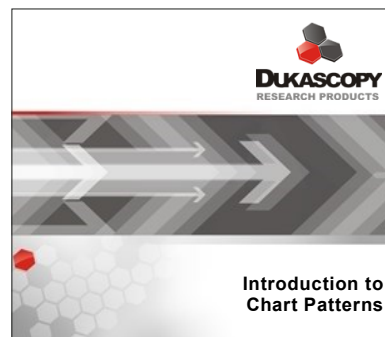




Comment: The outlook on USD/CAD is strongly bearish. Last month, the currency pair breached the 21-month trend-line, which paved the way for a test of the lowest level since October 2015, and the next prominent low is only at 1.2130, represented by the June 2015 minimum. At the same time, the upside is limited by a major down-trend that has been guiding the pair south since the end of January. Moreover, daily and weekly technical indicators also imply a sell-off. During this week, USD/CAD is likely to bounce off of 1.3040 and slide down to 1.2740/00, where it is going to find support provided by the monthly S1 and the lower boundary of the emerging bearish channel.

	Level	Rationale
R4	1.3215	Apr 5 high
R3	1.3139/32	Weekly R2; monthly PP; 200-period SMA; down-trend
R2	1.3040	Down-trend
R1	1.2976	Weekly R1
S1	1.2860	Weekly PP
S2	1.2746	Apr 13 low
S3	1.2724/05	Weekly and monthly S1; down-trend
S4	1.2589	Weekly S2

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