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# Trade Pattern Ideas

Friday, December 18, 2015  
08:30 GMT

## EUR/GBP 4H Chart: Ascending Triangle



**Comment:** EUR/GBP is struggling to overcome resistance at 0.7280 at the moment, but the outlook is still bullish. The currency pair has recently formed an ascending triangle, meaning demand is gradually building up, and this should eventually result in a breach of the upper boundary of the pattern. If this is the case, the next target will be at 0.7360, represented by the monthly R3, followed by the October high at 0.7490. On the other hand, if the price falls below the rising support at 0.7260, we will expect a test of the previous week low at 0.72. In the meantime, the distribution between the long and short positions is heavily skewed in favour of the latter that take up 70% of the SWFX market.

	Level	Rationale
Resistance 4	0.7396	Weekly R3
Resistance 3	0.7363	Monthly R3
Resistance 2	0.7338	Weekly R2
Resistance 1	0.7280	Weekly R1; monthly R2; resistance level
Support 1	0.7260	Up-trend
Support 2	0.7222/00	Weekly PP; Dec 10 low
Support 3	0.7165/50	Weekly S1; monthly R1
Support 4	0.7118/07	Weekly S2; 200-period SMA

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

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## CAD/CHF 1H Chart: Descending Triangle



**Comment:** Support at 0.7130 should soon no longer be able to underpin the rate. Taking into account that CAD/CHF is trading within a descending triangle and the technical indicators are mostly giving 'sell' signals, our bias is negative. Moreover, a significant majority of the SWFX market participants, namely 73%, are bulls, implying that the Loonie is overbought. Beneath 0.7130 the pair is expected to aim for the weekly S1 at 0.7055, though the main challenge for the downward momentum is seen at 0.6970, represented by the August low. Meanwhile, in addition to the trendline at 0.72 the 200-hour SMA and Dec 17 at 0.7230 are creating a strong ceiling for the near-term rallies.

	Level	Rationale
Resistance 4	0.7278/63	Daily R2; weekly PP
Resistance 3	0.7228/16	Daily R1; 200-hour SMA; Dec 17 high
Resistance 2	\$0.7200	Down-trend
Resistance 1	\$0.7166	Daily PP
Support 1	\$0.7133	Support level
Support 2	\$0.7100	Daily S1
Support 3	0.7055/53	Daily S2; weekly S1
Support 4	0.6990/73	Daily S3; Aug low

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





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