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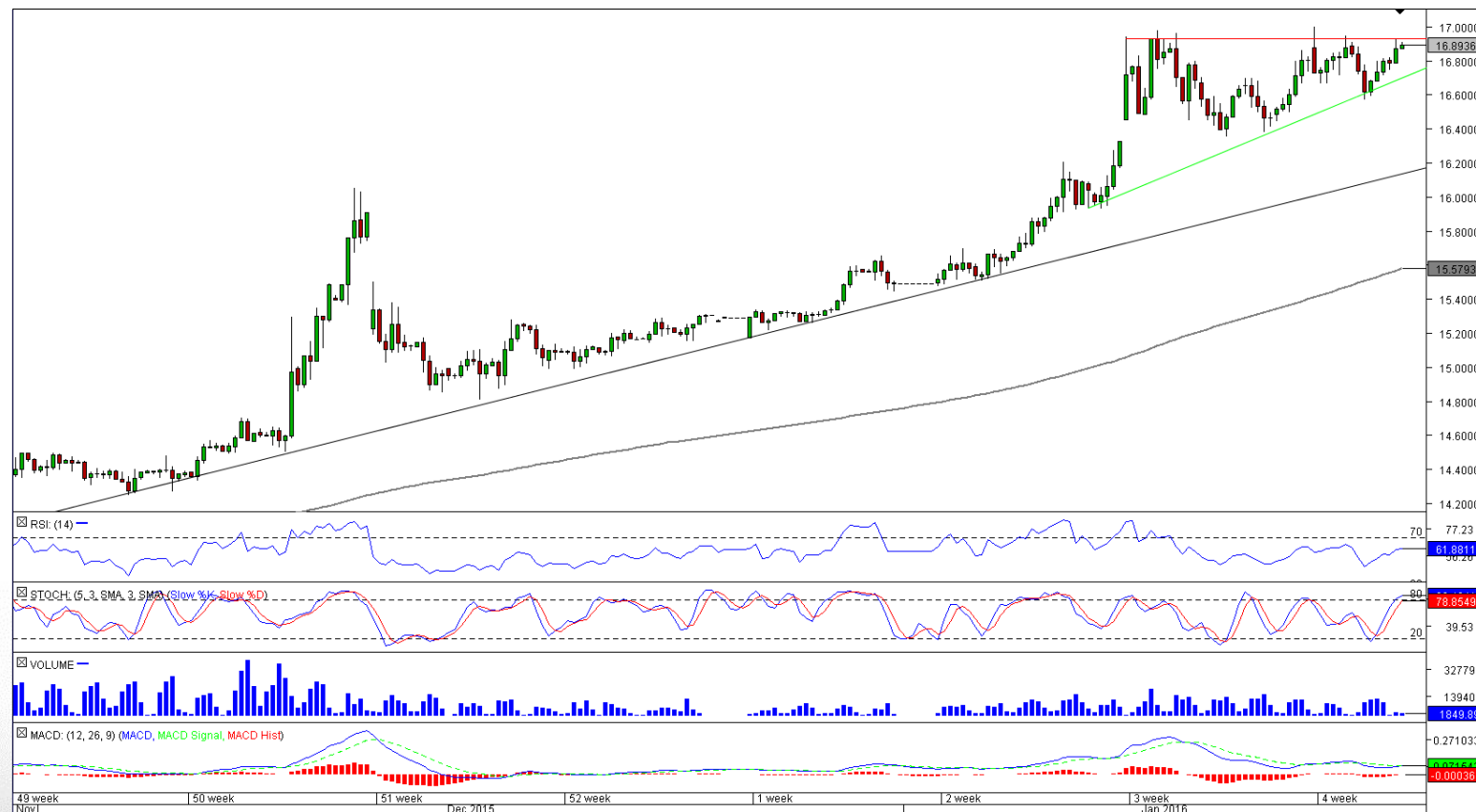
20/01/2016



Trade Pattern Ideas

Wednesday, January 20, 2016
08:30 GMT

USD/ZAR 4H Chart: Ascending Triangle



Comment: The outlook on USD/ZAR is strongly bullish, as nearly all the studies are suggesting a rally. First of all, the overall trend is upward. Secondly, even though the pair has recently struggled with resistance at 16.93, the ascending triangle implies that demand is building up. Thirdly, the indicators in all three relevant time-frames are pointing north. Finally, the US Dollar is far from being overbought—71% of open positions are short. Accordingly, we expect the rate to close above the monthly R2 in the nearest future, which in turn will pave the way towards the monthly R3 at 18.08. Even if USD/ZAR dips under 16.71, it will likely rebound from the up-trend at 16.30 and preserve the bullish momentum.

	Level	Rationale
Resistance 4	17.6862	Weekly R3
Resistance 3	17.3327	Weekly R2
Resistance 2	17.0681/46	Weekly R1; monthly R2
Resistance 1	16.9306	Resistance line
Support 1	16.7146	Weekly PP; up-trend
Support 2	16.5743	Jan 19 low
Support 3	16.4501	Weekly S1
Support 4	16.3591	Jan 13 low

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

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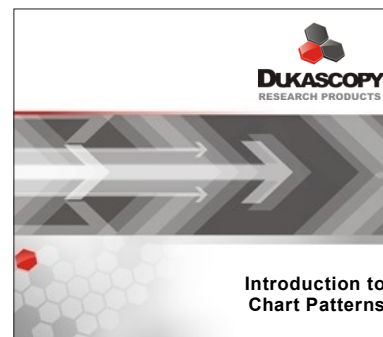
CAD/CHF 4H Chart: Channel Down



Comment: While there is a high chance of a rally in the nearest future, the bias towards CAD/CHF is negative. The pair has established a well-defined channel, and right now it is approaching the lower boundary of the pattern, meaning there is likely to be a bullish reaction. However, the rally is to be stopped by 0.6980/70, where the monthly S1 merges with the Jan 19 high and the resistance trend-line. There we expect the Loonie to initiate a new leg down, which will probably extend towards 0.67 (weekly and monthly S2). At the same time, if supply at 0.6980/70 proves to be insufficient to halt Loonie's appreciation, the focus will shift to the long-term moving average, which is currently at 0.7150.

	Level	Rationale
Resistance 4	0.7147	200-period SMA
Resistance 3	0.7114	Jan 13 high
Resistance 2	0.7065	Weekly R1
Resistance 1	0.6981/62	Weekly PP; monthly S1; down-trend; Jan 19 high
Support 1	0.6809	Weekly S1; down-trend
Support 2	0.6705/0.6683	Weekly and monthly S2
Support 3	0.6553	Weekly S3
Support 4	0.6292	Monthly S3

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



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