

07/01/2016



Trade Pattern Ideas



TRADE PATTERN IDEAS

Thursday, January 07, 2016 08:30 GMT

GBP/USD 1H Chart: Channel Down



Comment: GBP/USD has been in a strong down-trend for quite a while now, namely since the last quarter of the previous year. However, despite the currency pair forming a bearish channel, the prospects are ambivalent, considering that the technical indicators do not support further depreciation of the Sterling and the price is approaching a significant support level at 1.4566, represented by the 2015 low. Still, as long as the falling resistance line (currently at 1.47) remains intact, the bias is negative, and a close beneath 1.4566 will confirm the bearish outlook. At the same time, above 1.47 the Cable should target the 200hour moving average, which is presently found at 1.4767.

	Level	Rationale	
Resistance 4	1.4719	Daily R2	
Resistance 3	1.4700	Down-trend	
Resistance 2	1.4675/68	Daily R1; weekly S1	
Resistance 1	1.4638	Daily PP	
Support 1	1.4594/93	Daily S1; weekly S2; down-trend	
Support 2	1.4566/58	Daily S2; 2015 low	
Support 3	1.4514	Daily S3	
Support 4	1.4459	Weekly S3	

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



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CHF/JPY 1H Chart: Channel Down

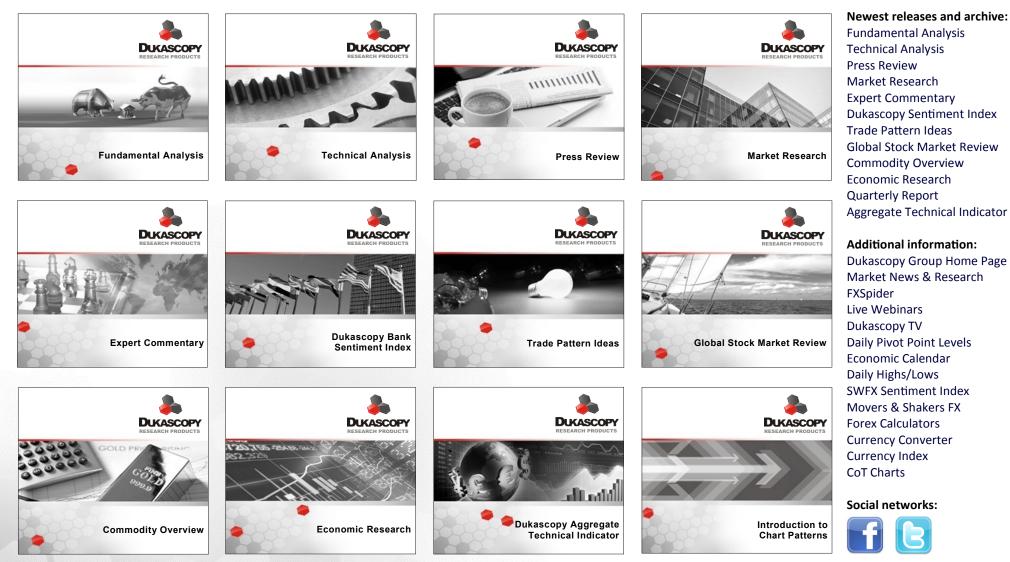


Comment: During the last two weeks the price of the Swiss Franc managed to fall by five yen, and there is still potential for the currency to lose some 3-3.5 yen more in the nottoo-distant future. There are no important support levels nearby (350 pips between the spot and 2015 low), the longer-term technical and indicators are mostly giving 'sell' signals. In the short run CHF/JPY is also bearish. We expect the rate to bounce off of 118 and decline down to 116 before there is any significant upward correction within the recently established channel. As for the sentiment, however, the Franc appears to be somewhat oversold-65% of open positions in the SWFX market are short.

	Level	Rationale
Resistance 4	119.20/11	Daily R3; weekly S1
Resistance 3	118.71	Daily R2
Resistance 2	118.28/17	Daily R1; weekly S2
Resistance 1	117.90	Down-trend
Support 1	117.68	Daily PP
Support 2	117.13	Daily S1
Support 3	116.70/64	Daily S2; weekly S3
Support 4	116.09	Daily S3; down-trend

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





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