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**Trade Pattern Ideas**

# USD/TRY 1H Chart: Channel Up



**Comment:** USD/TRY is currently trading at the upper boundary of the channel, implying we are likely to see a bearish correction before the bulls regain control of the pair. The price is expected to bounce off of 2.92 and fall until it meets the lower boundary of the pattern at 2.89. However, there are also plenty of arguments against the immediate sell-off. First, the technical indicators are mostly pointing upwards. In addition, we have a solid demand area at 2.9030, created by the 200-hour SMA with the help of the daily and weekly pivot points. At the same time, the SWFX market already appears to be overcrowded with bears, being that they make up three fourths of all traders.

	Level	Rationale
Resistance 4	2.9713/2.9683	Daily R3; weekly R2; Oct 11 high
Resistance 3	2.9450	Daily R2; Oct 29 high
Resistance 2	2.9368/05	Daily and weekly R1; Nov high
Resistance 1	2.9200	Up-trend
Support 1	2.9030	Daily and weekly PP; 200-hour SMA
Support 2	2.8900	Daily S1; up-trend
Support 3	2.8763	Support level
Support 4	2.8678/28	Daily S2; weekly S1

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

# USD/JPY 4H Chart: Rectangle



**Comment:** USD/JPY has been trading between two parallel horizontal lines for four full weeks now, and for the time being there is not much evidence that there is going to be a break-out in the nearest future. The risks, however, are considered to be skewed to the upside. Even though the technical indicators are currently mixed, the US Dollar is heavily oversold, being that 72% of open positions are short. At the same time, before the pair entered the continuation pattern, it had been bullish, which further bolsters the point that eventually the rate will surpass tough resistance at 123.76/61. This in turn will pave the way for a recovery to 125.20, namely the August high.

	Level	Rationale
Resistance 4	125.85	Monthly R2; Jun high
Resistance 3	125.20	Weekly R3; Aug high
Resistance 2	124.50	Weekly R2; monthly R1
Resistance 1	123.76/61	Weekly R1; resistance level
Support 1	123.03	Weekly PP
Support 2	122.39/25	Weekly S1; monthly PP; support level; SMA (200)
Support 3	121.66	Weekly S2
Support 4	121.00	Weekly S3; monthly S1

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



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