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Trade Pattern Ideas

GBP/NZD 1H Chart: Channel Up



Comment: While the weekly outlook on GBP/NZD is bullish, in the short run there is likely to be a 200-pip sell-off. Even though the hourly and four-hour technical indicators are mostly giving 'buy' signals at the moment, the currency pair has recently confirmed the upper boundary of the channel, meaning there should now be a downward correction, which may extend to the 2.2050/00 area, where the rising support line is reinforced by the weekly pivot point. The decline is also implied by the current sentiment in the market—57% of open positions are long. However, if the bulls overpower bears and push the price beyond 2.2350, the next target will be the weekly R1 level at 2.2468.

	Level	Rationale
Resistance 4	2.3023	Dec high
Resistance 3	2.2735/28	Daily R3; weekly R2
Resistance 2	2.2504/2.2468	Daily R2; weekly R1
Resistance 1	2.2356	Daily R1; up-trend
Support 1	2.2125	Daily PP
Support 2	2.2013/2.1976	Daily S1; weekly PP; up-trend
Support 3	2.1888/52	Jan 7 low; 200-hour SMA
Support 4	2.1753/45	Daily S2; weekly S1

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

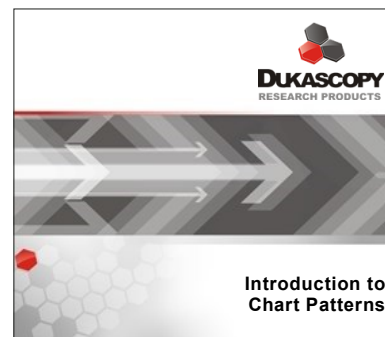
GBP/AUD 1H Chart: Channel Up



Comment: The bullish momentum of the British Pound appears to be running out of steam, as the latest wave failed to reach out to the upper line of the emerging channel. The main reason to be bearish in the medium term, however, is the fact that the pair is closing in on the major resistance between 2.11 and 2.12, represented by the upper boundary of the descending channel in the daily chart. Accordingly, while there is a good chance of GBP/AUD rising during the next several days, the downside risks are substantial, and there might soon be a break-out through 2.0820. In this case the first important target will be at 2.0662, followed by the 200-hour SMA at 2.0520.

	Level	Rationale
Resistance 4	2.1236/20	Daily R3; Dec high
Resistance 3	2.1150/39	Weekly R1; down-trend
Resistance 2	2.1072	Daily R2; up-trend
Resistance 1	2.0982	Daily R1
Support 1	2.0819	Daily PP; up-trend
Support 2	2.0729	Daily S1
Support 3	2.0662	Weekly PP
Support 4	2.0566	Daily S2

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



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