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Trade Pattern Ideas

EUR/JPY 4H Chart: Channel Down



Comment: The Euro is set to decline. Not only did the pair form a well-defined bearish channel, but it has already managed to break some of the major supports, such as the nine-month falling line and the 2015 low. The target is now the 2013 February minimum at 118.80, while the upside is limited by the upper boundary of the channel at 124.20. Additional significant supply area is circa 125 yen, represented by the February 25 high and the recently broken line. The negative bias is reinforced by the technical indicators, which are giving 'sell' signals in every relevant timeframe. On the other hand, the Euro is already oversold in the SWFX market—72% of open positions are short.

	Level	Rationale
R4	126.10/00	Weekly R1; 2015 low
R3	125.68	Monthly PP
R2	125	Down-trend; Feb 25 high
R1	124.22/20	Weekly PP; down-trend
S1	122.87	Weekly S1
S2	122.1	Feb 29 low
S3	121.11	Weekly S2
S4	119.80/76	Weekly S3; down-trend

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

EUR/NZD 4H Chart: Channel Down



Comment: The signals on EUR/NZD are mixed. From one side, the outlook should be bearish, considering that the pair has formed a descending channel and a majority of the technical studies are pointing south. At the same time, the bears are facing a major challenge, namely the 11-month trend-line just above 1.63 dollars, and it does not seem to be willing to give in to the sellers. In any case, the short-term outlook is bullish. The rate is expected to leave the demand area around the level of 1.63 and head towards the upper edge of the emerging pattern at 1.6940. If the price closes above this resistance, the rally will likely extend by 300 pips, namely up to the January and February highs at 1.7280/30.

	Level	Rationale
R4	1.6940	Down-trend
R3	1.6773/55	Weekly R1; 200-period SMA
R2	1.6667/42	Monthly PP; Feb 28 high
R1	1.6522	Weekly PP
S1	1.6330	Up-trend
S2	1.6272/45	Weekly S1; Feb 26 low; down-trend
S3	1.6106	Monthly S1
S4	1.5993	Weekly S2

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