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Trade Pattern Ideas




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NZD/USD 4H Chart: Channel Up

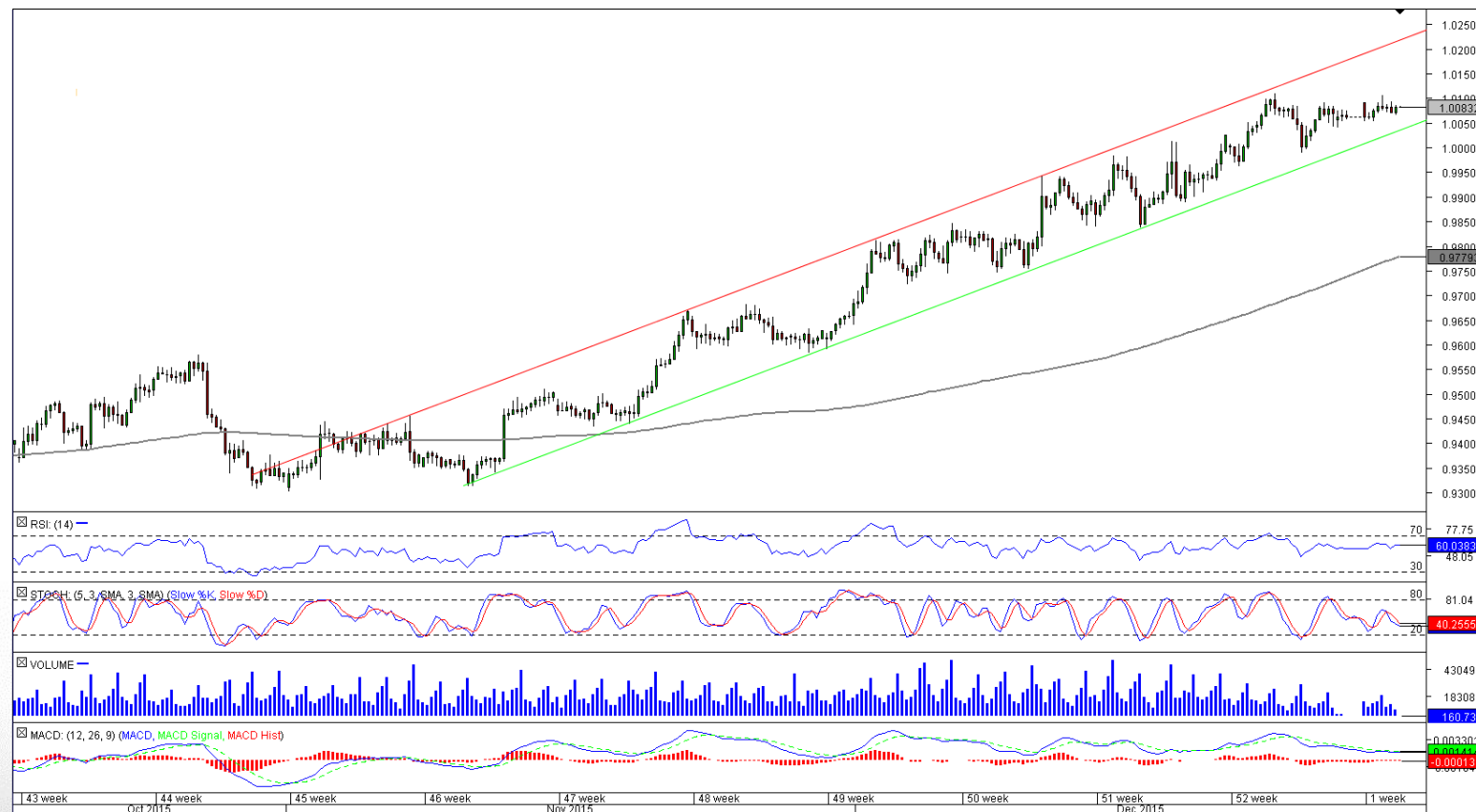


Comment: NZD/USD has been in a distinct up-trend since the mid-November, when it turned around after hitting 0.6430. The downside risks, however, have greatly increased recently. The currency pair is approaching a critical resistance level at the moment, namely the October high at 0.69. Above it the Kiwi should aim for the upper boundary of the channel at 0.70, followed by the June high at 0.7230. Alternatively, a failure here would imply a sell-off to the lower boundary of the pattern at 0.68, before there is another attempt to break higher. In the meantime, we should note that the New Zealand is far from being overbought in the SWFX market—60% of open positions are short.

	Level	Rationale
Resistance 4	0.7006/00	Weekly R3; up-trend
Resistance 3	0.6957	Monthly R2
Resistance 2	0.6924	Weekly R2
Resistance 1	0.6897/84	Weekly R1; Oct high
Support 1	0.6802/00	Weekly PP; up-trend
Support 2	0.6771/62	Weekly S1; monthly R1
Support 3	0.6682/80	Weekly S2; Dec 18 low
Support 4	0.6659	200-period SMA

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

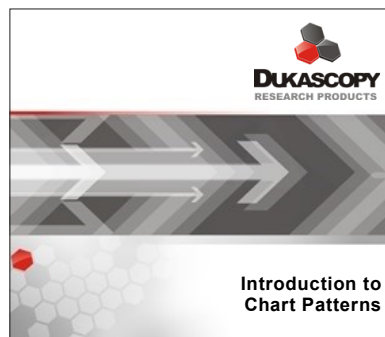
AUD/CAD 4H Chart: Channel Up



Comment: Although AUD/CAD has been struggling with resistance at 1.0110 lately, the risks are considered to be heavily skewed to the upside. The currency pair is trading within a well-defined channel, and most of the technical indicators are currently pointing north. At the same time, there is still room for more bulls to join the trend, being that only 34% of open positions are long. The present target is the September high at 1.0250. However, the outlook will be changed if the price dips through the support up-trend at 1.0050. In this case the exchange rate will be expected to descend down to 0.9840, namely the Dec 15 low, while extra demand is at 0.9780, represented by the 200-period SMA.

	Level	Rationale
Resistance 4	1.0250/48	Sep high; up-trend
Resistance 3	1.0193	Weekly R2
Resistance 2	1.0170	Monthly R3
Resistance 1	1.0128/11	Weekly R1; Dec high
Support 1	1.0045	Weekly PP; up-trend
Support 2	0.9980	Weekly S1
Support 3	0.9926	Monthly R2
Support 4	0.9898	Weekly S2

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



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