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RESEARCH PRODUCTS

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**Trade Pattern Ideas**

# GBP/CAD 1H Chart: Channel Up



**Comment:** So far this year has been bearish for the Sterling, but the lower time frames suggest the currency has the potential to negate some of the latest losses within the emerging ascending channel. Eventually, in the perspective of the next several weeks, GBP/CAD might recover up to 1.9350, but for now the gains are to be limited by the upper boundary of the pattern at 1.92, which is reinforced by the weekly R1 and March 10 high. At the same time, near-term dips are to be contained by the rising trend-line at 1.8860. If it is not enough to withstand selling pressure, the next target will be the weekly S1 at 1.8790, followed by the March 1 low at 1.8675. As for the sentiment in the SWFX market, the traders are mostly long the Pound—69% of them.

	Level	Rationale
R4	1.9167/56	Daily R3; Mar 10 high
R3	1.9116	Daily R2
R2	1.9041	Daily R1
R1	1.9000	Daily PP
S1	1.8977/74	Weekly PP; 200-hour SMA
S2	1.8926	Daily S1
S3	1.8886	Daily S2
S4	1.8860	Up-trend

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

Tuesday, March 15, 2016  
08:30 GMT

# GBP/USD 1H Chart: Channel Up



**Comment:** The Cable is set to rebound. The pair has just bumped into the lower boundary of the bullish channel, which is strengthened by the long-term moving average. GBP/USD is expected to bounce off of the support area at 1.4266/30 and then rally up to 1.4550. In the longer-term perspective, the price could try re-testing 1.4670, namely the February high. Alternatively, in case the bears keep pushing the rate lower despite the density of the demand zone, another potential line in the sand will be at 1.4190/70, represented by the weekly S1 and daily S3. The distribution between the longs and shorts, however, is against the rally, being that the Sterling is already overbought—65% of traders hold bullish positions.

	Level	Rationale
R4	1.4460	Daily R3
R3	1.4437/25	Daily R2; Mar 11 high
R2	1.4363	Daily R1
R1	1.4328/14	Daily and weekly PP
S1	1.4266	Daily S1; up-trend
S2	1.4232/31	Daily S2; 200-hour SMA
S3	1.4192/69	Daily S3; weekly S1
S4	1.4119	Mar 10 low

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





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