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Trade Pattern Ideas

GBP/USD 4H Chart: Channel Down



Comment: The Cable will shortly approach the upper edge of the channel down pattern, meaning we are likely to observe some selling pressure near 1.43. One more bullish obstacle is represented by the 200-period SMA at 1.4267. According to the 4H technical indicators, the latter resistance is unlikely to contain the purchasing activity, while some weakness is estimated on daily and weekly bases. However, SWFX market sentiment is 56% long at the moment, meaning we are not ruling out a spike above 1.4345 where the upper trend-line is located right now. However, to confirm the pattern to the upside the Pound Sterling should also eliminate the first monthly supply at 1.4446, followed by weekly R2 at 1.4518.

	Level	Rationale
R4	1.4518	Weekly R2
R3	1.4446	Monthly R1
R2	1.4345/74	Trend-line; weekly R1
R1	1.4267	200-period SMA
S1	1.4164/05	100-period SMA; monthly/weekly PPs
S2	1.4013/1.3962	55-period SMA; weekly S1
S3	1.3793	Trend-line
S4	1.3693	Weekly S2

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

GBP/JPY 4H Chart: Channel Down



Comment: The Pound is moving in a similar direction versus the Japan's currency, as it is doing against the Greenback. In the foreseeable future we expect GBP/JPY to test the 200-period SMA at 164.79, but only in case the bulls are successful in dealing with the monthly pivot point at 162.21, which is the immediate resistance for this cross. Development to the upside is backed by the SWFX market sentiment in a slight majority (53%) of all cases, while 4H studies are additionally supporting the positive outlook. However, weekly indicators are much more sceptical on the matter. We foresee a failure at 168.81, where the upper boundary of the channel down pattern is guarded by the monthly R1 and weekly R3.

	Level	Rationale
R4	168.81	Trend-line
R3	166.43	Weekly R2
R2	164.17/79	Weekly R1; 200-period SMA
R1	162.22	Monthly PP
S1	160.43/19	100-period SMA; weekly PP
S2	158.51/157.93	55-period SMA; weekly S1
S3	153.95	Weekly S1
S4	151.95/69	Trend-line; weekly S3

Indicator	4H	Day	Week
MACD (12; 26; 9)	Sell	Buy	Buy
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Neutral	Sell	Neutral
ADX (14)	Buy	Buy	Sell
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Buy	Sell	Sell
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