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Trade Pattern Ideas

USD/ZAR 4H Chart: Falling Wedge



Comment: We should be wary of a potential bullish breakout this week. The currency pair is trading in a well-defined falling wedge, a pattern that portends a rise in demand. The key resistance is therefore the red trendline. If the price closes above 15.94, this will be a strong argument in favour of the Dollar resuming the rally that started in October last year. However, there will still be tough obstacles in the way, namely the monthly pivot point at 16.1270, the 200-period moving average at 16.20, and the January high at 17 rands. Alternatively, should the lower boundary of the pattern give in first, the focus will be on the demand area at 15.31/15.25, where the weekly S2 is joined by the monthly S1.

	Level	Rationale
Resistance 4	16.5724	Weekly R2
Resistance 3	16.2328/2003	Weekly R1; 200-period SMA
Resistance 2	16.1273	Monthly PP
Resistance 1	15.9429	Weekly PP; down-trend
Support 1	15.6900	Down-trend
Support 2	15.6033	Weekly S1
Support 3	15.3134/2529	Weekly S2; monthly S1
Support 4	14.9738	Weekly S3

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

EUR/AUD 4H Chart: Channel Up



Comment: The ascending channel emerging in the four-hour chart is a bullish wave within a major rising wedge forming in the weekly timeframe. As a result, EUR/AUD has the potential to rise beyond 2015's high, up to 1.68. In the meantime, the short-term outlook is also bullish, being that the pair has just confirmed strong support at 1.5580/40, where the lower boundary of the channel is reinforced by the weekly S1 and 200-period SMA. The target is now the last year's maximum at 1.66, where we also have the monthly R2 and the upper trend-line of the pattern. As for the sentiment in the market, the traders seem undecided, being that 53% of open positions are long and 47% are short.

	Level	Rationale
Resistance 4	1.6791/50	Weekly R3; up-trend
Resistance 3	1.6621/01	Weekly and monthly R2; 2015 high; up-trend
Resistance 2	1.6254/1.6186	Weekly R1; Feb 11 high
Resistance 1	1.5958/18	Weekly PP; monthly R1
Support 1	1.5581/37	Weekly S1; Feb 16 low; up-trend; 200-period SMA
Support 2	1.5416	Monthly PP
Support 3	1.5313/1.5250	Weekly S2; Jan 29 low
Support 4	1.4977	Weekly S3

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