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Trade Pattern Ideas



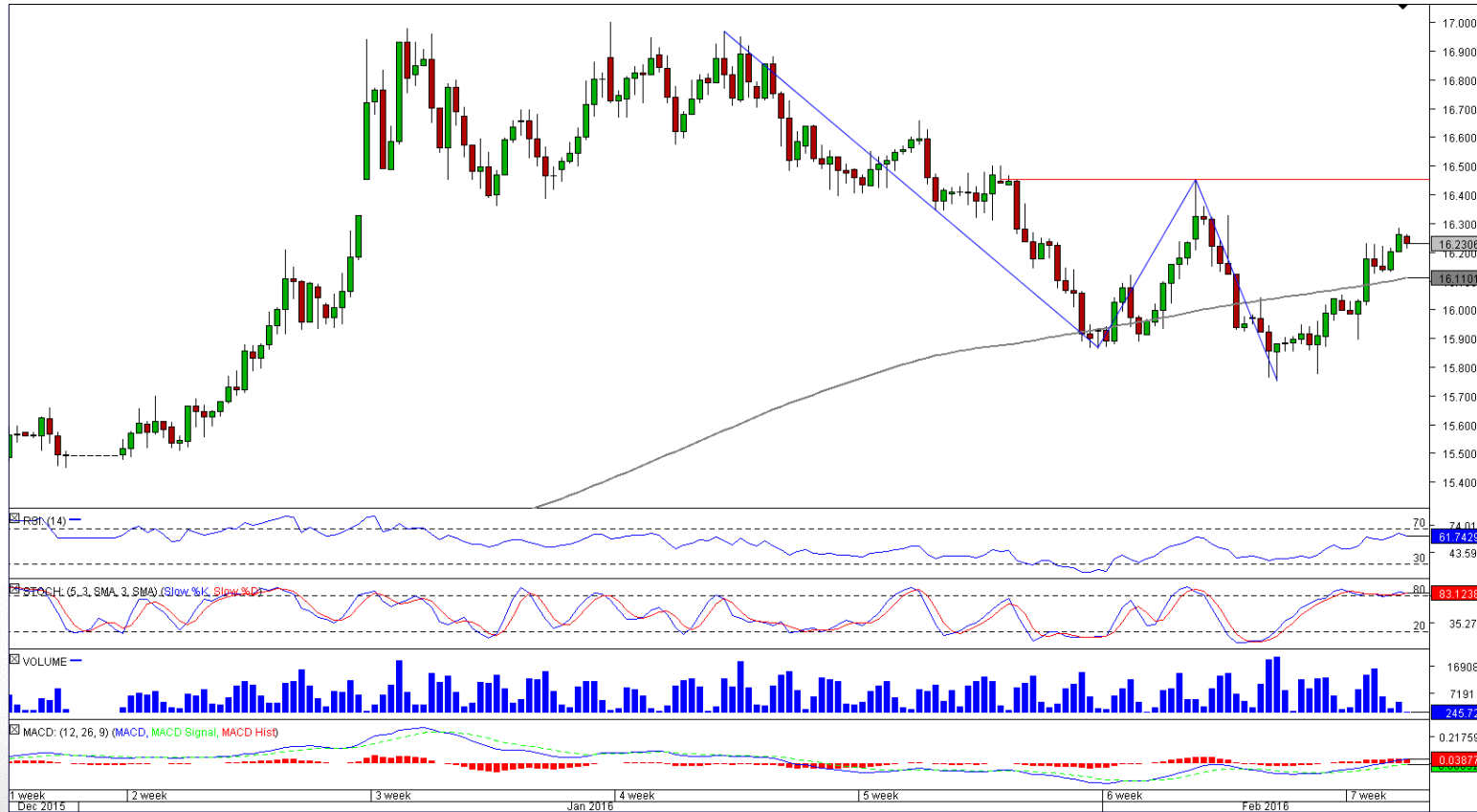


Comment: Although USD/NOK appears to have formed a bearish channel, we are highly unlikely to see Dollar's depreciation beyond 8.50 kroner. The reason is that the currency pair is closing in on the major rising support line that is drawn through the Aug 2014 and May 2015 lows. Accordingly, our base case scenario is a rally through the red trend-line at 8.65. This will imply a test of the 8.77-8.74 area. However, considering the density of the supply zone, it may take some time before the bulls push through and set eyes on the January high at 8.99. In the meantime, the US Dollar is oversold in the SWFX market—at the moment 72% of open positions are short.

	Level	Rationale
Resistance 4	8.9180/8.8951	Weekly R2; monthly R1
Resistance 3	8.7694/8.7429	Weekly R1; monthly PP; 200-period SMA
Resistance 2	8.6500	Down-trend
Resistance 1	8.5948	Weekly PP
Support 1	8.5258/8.5000	Monthly S1; up-trend
Support 2	8.4669/8.4426	Weekly S1; Dec low
Support 3	8.3679	Monthly S2; down-trend
Support 4	8.2945	Weekly S2

Indicator/Period	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	Sell
CCI (14)	Neutral	Neutral	Neutral
AROON (14)	Buy	Sell	Buy
Alligator (13; 8; 5)	Neutral	Sell	Buy
SAR (0.02; 0.2)	Sell	Sell	Sell

USD/ZAR 4H Chart: Double Bottom

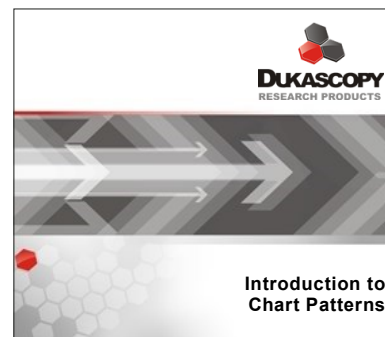


Comment: USD/ZAR is in the process of forming a double bottom. There were two attempts to break demand at 16.85, but both tries were unsuccessful, and as a result, the US Dollar is headed towards the potential neck-line at 16.45/41. If the price closes above this area, we will expect further recovery until 17 rands. Nevertheless, we should not forget about resistance at 16.78 (monthly R1 and weekly R2) that may trigger a correction.

Meanwhile, the sentiment is in favour of a rally, as the market is currently overcrowded with bears—72%. At the same time, weekly technical indicators are bullish, though there are mixed signals in the four-hour and daily time-frames.

	Level	Rationale
Resistance 4	17.11	Weekly R3
Resistance 3	17.00	Jan high
Resistance 2	16.78	Weekly R2; monthly R1
Resistance 1	16.45/41	Monthly R1; neck-line
Support 1	16.13/08	Weekly and monthly PP; 200-period SMA
Support 2	15.75/71	Weekly S1; Feb 4 low
Support 3	15.38	Weekly S2
Support 4	15.25	Monthly S1

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



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