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Trade Pattern Ideas

GBP/NZD 1H Chart: Rising Wedge



Comment: The overall outlook on GBP/NZD is bullish, being that the currency pair has recently broken through the upper boundary of the falling wedge that had been previously formed in the daily chart. Considering shorter-term developments, namely the price approaching the apex of the rising wedge in the hourly chart, there is likely to be a sell-off from 2.1244/28 (up-trend, daily R1 and Mar 29 high) before the Sterling resumes its long-run recovery. In the end, the rate may slide down to 2.08/2.07 before the bulls are able to regain control of it. Nevertheless, there is still a decent chance that the dip will be limited by a rising support line at 2.0950 that was established last week.

	Level	Rationale
R4	2.1411/00	Daily R3; Mar 21 high
R3	2.1311	Daily R2
R2	2.1274	Weekly R1
R1	2.1244/28	Daily R1; Mar 29 high; up-trend
S1	2.1150/39	Daily PP; up-trend
S2	2.1112	Support level
S3	2.1050/49	Daily S1; Apr 26 low
S4	2.0968/67	Daily S2; Apr 25 low

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

EUR/JPY 4H Chart: Rising Wedge



Comment: Euro's rally from 121.70 is about to come to an end. The main reason to be bearish on the pair is the major down-trend line near 128 yen. Resistance there is also strengthened by the weekly R2 and March high. At the same time a little closer to the spot price, there is the monthly pivot point at 126.14, which is fully capable of preventing further appreciation as well. As a result, we expect EUR/JPY to violate the lower boundary of the emerging pattern in the nearest future. The first target will then be yesterday's low at 124.70, followed by the monthly S1 and weekly PP at 124.25/06. A yet another 'sell' signal is provided by positioning of traders in the SWFX market: 73% are already bulls and only 27% are bears.

	Level	Rationale
R4	128.22/05	Weekly R2; Mar high; down-trend
R3	126.78	Weekly R1
R2	126.50	Up-trend
R1	126.14	Monthly PP
S1	125.28/20	Up-trend; 200-period SMA
S2	124.69	Apr 26 low
S3	124.25/06	Weekly PP; monthly S1
S4	123.36	Apr 21 low

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



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