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Trade Pattern Ideas

EUR/AUD 4H Chart: Triangle



Comment: EUR/AUD is about to break out of the symmetrical triangle, which should lead to increased volatility in the near term. If the price jumps above the upper trend-line at 1.5650, we will expect an extension of the rally towards 1.5825, where the weekly R1 merges with the last week's high and 200-period SMA. Additional resistances are at 1.5929 (monthly PP) and at 1.6250 (monthly R1 and Sep high). Alternatively, if the value of the Euro falls below A\$1.56, the sell-off is likely to go on until the rate falls down to 1.54. At the same time, a close beneath 1.5279 will imply a decline to the Aug low at 1.50. Meanwhile, there is no consensus in the market: 53% of open positions are long and 47% are short.

	Level	Rationale
Resistance 4	1.5929	Monthly PP
Resistance 3	1.5825	Weekly R1; Oct 14 high; 200-period SMA
Resistance 2	1.5707	Oct 19 high
Resistance 1	1.5650	Down-trend
Support 1	1.5610	Weekly PP; monthly S1; up-trend
Support 2	1.5496	Oct 15 low
Support 3	1.5400	Weekly S1; Oct 12 low
Support 4	1.5279	Monthly S2

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

AUD/USD 4H Chart: Triangle



Comment: As it turned out, AUD/USD did not exit the triangle against the background of the RBA meeting minutes published yesterday. Still, the pair is at the very apex of the figure, meaning we should soon see a spike in the turbulence of the market. Because the pair formed the pattern after a rally, the base scenario is a bullish break-out with the main target at 0.7380 (weekly R1 and Oct 12 high). If this is not the case and the up-trend at 0.7265 fails to stay intact, the next support will be at 0.7235, represented by the monthly R1 and Oct 18 low. An additional demand area should be at 0.7190 (weekly S1 and Oct 13 low). As for the SWFX sentiment, 72% of the traders are currently long.

	Level	Rationale
Resistance 4	0.7468	Weekly R2
Resistance 3	0.7440	Monthly R2; Aug high
Resistance 2	0.7380	Weekly R1; Oct 12 high
Resistance 1	0.7285	Weekly PP; down-trend
Support 1	0.7265	Up-trend
Support 2	0.7235	Monthly R1; Oct 18 low
Support 3	0.7190	Weekly S1; Oct 13 low
Support 4	0.7129	200-period SMA

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



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