



**DUKASCOPY**  
RESEARCH PRODUCTS

29/02/2016



**Trade Pattern Ideas**

# EUR/CHF 4H Chart: Falling Wedge



**Comment:** Last week, EUR/CHF exited the boundaries of the rising wedge that has been forming in the daily chart for 14 months. Accordingly, our overall bias is negative. In the shorter-term perspective, however, there will be an opportunity for a strong rebound, considering that at the moment the pair is trading between two bearish converging trend-lines, meaning the current downward momentum is dying off. Nevertheless, the upside is to be limited, presumably by the trend-line that has recently been breached. At the moment, the trend-line is at 1.0965, but by the time EUR/CHF breaks out of the falling wedge, it is likely to join forces with the long-term SMA at 1.10 francs.

	Level	Rationale
R4	1.1026	Monthly PP
R3	1.1006/03	Weekly R1; 200-period SMA
R2	1.0965	Up-trend; down-trend
R1	1.0934	Weekly PP
S1	1.0887	Monthly S1
S2	1.0836	Weekly S1; down-trend
S3	1.0767/56	Weekly S2; Dec low
S4	1.0688/70	Weekly S3; monthly S2

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

# GBP/CAD 1H Chart: Falling Wedge



**Comment:** GBP/CAD is trading right at the apex of the falling wedge, implying the risks are heavily skewed to the upside. If resistance 1.8780 is broken, the first target will be the weekly pivot point at 1.9070, while in the long run we will expect the rally to extend towards 1.95, namely the major broken trend-line. However, the recovery might be stopped a little earlier by some 100-150 pips either by the 200-hour SMA or the weekly R1. Meanwhile, the bearish target is the weekly S1 at 1.8415, followed by the April low at 1.8150. An argument against a rally, however, is the sentiment in the market: 69% of the SWFX market participants are currently holding long positions, meaning the Sterling is overbought.

	Level	Rationale
R4	1.9070	Daily R2; weekly PP
R3	1.8915	Daily R1
R2	1.8825	Daily PP
R1	1.8780	Down-trend
S1	1.8664	Daily S1; down-trend
S2	1.8574	Daily S2
S3	1.8416/13	Daily S3; weekly S1
S4	1.8150	Apr low

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





**Newest releases and archive:**

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

**Additional information:**

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

**Social networks:**



**Disclaimer**

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.