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RESEARCH PRODUCTS

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Trade Pattern Ideas

GBP/NZD 1H Chart: Channel Up



Comment: The presently emerging pattern itself does not mean a lot for the overall trend, but the fact that the currency pair has just broken a 12-week resistance trend-line is. The British currency is thus looking fairly strong, and this is confirmed by the hourly and four-hour technical indicators, although the daily studies are mostly bearish. All in all, during the next few days the price is expected to undergo a downward correction under 1.8150 and towards 1.80, but the next week is likely to be bullish for the Sterling, with the August 8 high at 1.8470 being a potential target. However, we should still recognise considerable downside risks, as the Pound is heavily overbought—74% of positions in SWFX are long.

	Level	Rationale
R4	1.8467	Aug 8 high
R3	1.8390/55	Daily R3; weekly R1
R2	1.8249	Daily R2
R1	1.8170/63	Daily R1; up-trend
S1	1.8073	Weekly PP
S2	1.8022/1.7994	Daily PP; 200-hour SMA; up-trend
S3	1.7937/00	Daily S1; support level
S4	1.7850	Down-trend

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

GBP/USD 1H Chart: Channel Up

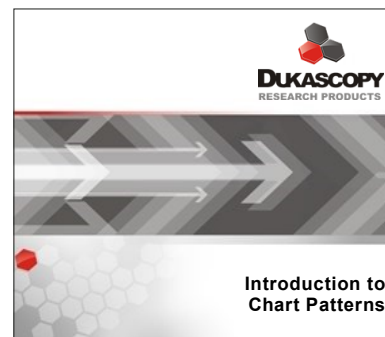


Comment: The Cable is well-positioned to advance. Having found a solid support area circa 1.2860/50, the currency pair was able to gain considerable ground, and it looks ready to extend the recovery by 1.2% more. The immediate obstacle is at 1.3170, and if the bulls manage to push the price above this resistance, the new target will be the July trend-line that has recently served as the upper bound of the symmetrical triangle at 1.3290.

Alternatively, if the selling pressure prevails and the price closes under 1.3120, the decline will likely continue until the rate hits 1.30. There the psychological level is reinforced by the 200-hour SMA and August 17 lows.

	Level	Rationale
R4	1.3290	Down-trend
R3	1.3265	Daily R2
R2	1.3238/16	Daily R1; weekly R3; up-trend
R1	1.3171/68	Weekly R2; resistance level
S1	1.3127/20	Daily PP; up-trend
S2	1.3080	Daily S1
S3	1.3046	Weekly R1
S4	1.3003/1.2992	Daily S2; support level; 200-hour SMA

Indicator	1H	4H	1D
MACD (12; 26; 9)	Buy	Buy	Sell
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