

23/09/2016



Trade Pattern Ideas



TRADE PATTERN IDEAS

Friday, September 23, 2016 07:30 GMT



GBP/JPY 4H Chart: Descending triangle

Comment: After a sharp sell-off to break the annual downtrend upon the Brexit vote, GBP/JPY consolidated inside of a descending triangle. The pair is currently targeting the 129.39 support level, one that has not been relevant since November 2012 and that would induce a slip at least to 127.97, butcbased on the significance of the established demand zone - a dive as low as 126.72 can be expected. It remains however unclear whether the pattern has reached its maturity and will be broken during the current downward motion, leaving room for prospects of a ranging market over the next few weeks. In case the pattern does hold, a bounce from the aforementioned support will result in an ultimate target around 136.22 with hitches at 130.40, 131.21, 131.78 and 133.74 respectively.

	Level	Rationale		
R4	1.3978	Daily R3		
R3	1.3946/50	Weekly R1; Daily R2		
R2	1.3923	Daily R1; Channel upper trend-line		
R1	1.3914	Upper Bollinger Band		
S1	1.3895/97	Daily Pivot Point; 20-hour SMA		
S2	1.3876/3883	55-hour, 200-hour SMA; Lower Bollinger Band		
S3	1.3869/70	Daily S1; Monthly Pivot Point		
S4	1.3850	Channel lower trend-line		

Indicator	1H	4H	1D
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Buy
Stochastic (5; 3; 3)	Sell	Sell	Sell
ADX (14)	Neutral	Sell	Neutral
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell
Aggregate	7	И	\rightarrow

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Comment: A symmetrical triangle contained the ranging CAD/CHF market with somewhat uncertain future movements caused by low volatility and pressures from both sides. The 55hour and 200-hour SMAs have developed a golden cross formation, giving out strong bullish signals which would push the pair towards 0.7437 and further to 0.7444, the upper trendline of the triangle. Inability to get through the 100-hour SMA, however, makes us remain in favour of a bear market, implied by the triangle pattern which should direct future movements after the breakout south. On its way towards the bottom trend-line of the triangle at 0.7407, the rate will struggle around the 0.7416/17 mark and could bounce from 0.7409 not reaching its ultimate target.

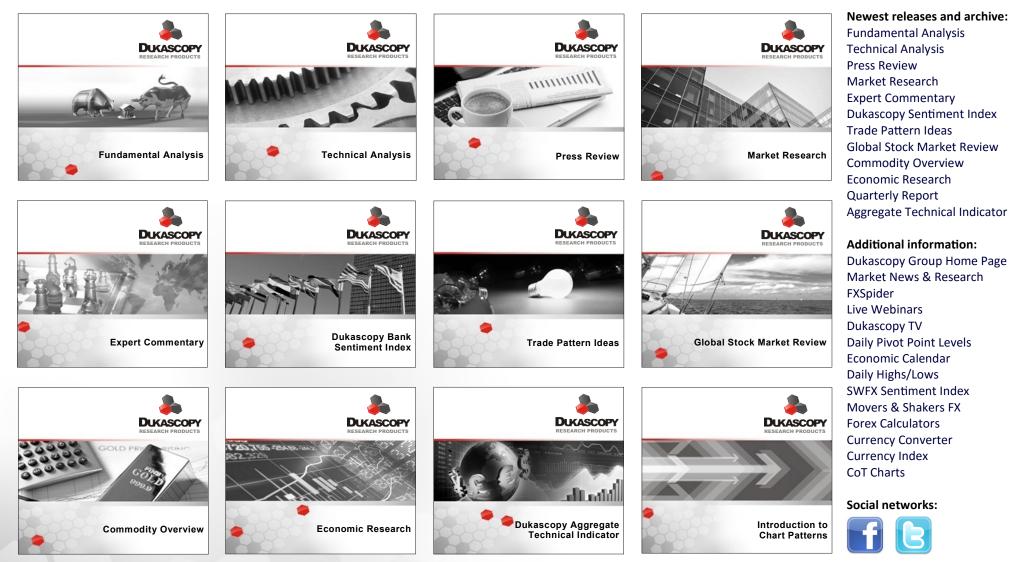
	Level	Rationale	l l
R4	0.7491	Daily R1; 200 period SMA	MA
R3	0.7483	Weekly PP	
R2	0.7476/78	Upper Bollinger Band; 100 period SMA	Stoc
R1	0.7473	Upper channel trend-line	
S1	0.7448	Lower Bollinger Band	
S2	0.7443	Daily S1	/
S3	0.7421	Weekly S1; Channel bottom trend-line	Allię
	0.7413	Daily S2	SA

Indicator	30M	1H	4H
MACD (12; 26; 9)	N/A	Sell	Buy
RSI (14)	Buy	Buy	Neutral
Stochastic (5; 3; 3)	Sell	Neutral	Neutral
ADX (14)	N/A	Sell	Sell
CCI (14)	Neutral	Neutral	Buy
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Neutral	Sell	Neutral
SAR (0.02; 0.2)	Buy	Sell	Sell
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