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Trade Pattern Ideas

CAD/JPY 1H Chart: Channel Down



Comment: CAD/JPY confirmed a double top at 88.62 from the four hour chart with a descending channel pattern it entered over the last week. Currently on its way to the bottom trend-line at 86.35, the pair is likely to remain in the red zone for now and bounce from the area to comply with the up-wave implied by the pattern. Immediate support lies at 86.66 and the rate is now showing some trouble in diving beneath; however, we will look for the area to break to the downside, which would then open the way for 86.48/45 – the last level before the boundary.

	Level	Rationale
R4	87.5500	Channel upper trend-line; Weekly Pivot Point
R3	87.39/41	Daily Pivot Point; Cloud Resistance; 100-hour SMA
R2	87.23/24	55-hour SMA; Cloud Resistance
R1	87.0300	20-hour SMA
S1	86.6600	Daily S2
S2	86.48/46	Bottom Bollinger Band; Weekly S1
S3	86.3800	Channel bottom trend-line
S4	86.2900	Daily S3

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

EUR/USD 30M Chart: Descending Triangle



Comment: Following a break above the upper trend-line of the senior three-month channel, EUR/USD entered a ranging motion and could potentially have sketched a double top formation at 1.0675. Most recent movements indicate a small-scale descending triangle, which is about to be broken – most likely to the downside. The pair is currently on a quite crucial step, which could either confirm the trading range or the double top, with strong bearish pressures taking over in case of the latter. A break below 1.0605 would therefore mean a conclusive reversal, while a close above 1.0616, the upper trend-line of the triangle, would suggest a surge towards 1.0675.

	Level	Rationale
R4	1.0630/32	55 & 100-period SMAs
R3	1.0628	Cloud Resistance
R2	1.0620	20-period SMA
R1	1.0616	Triangle upper trend-line
S1	1.0605	Bottom Bollinger Band; Neckline
S2	1.0598	200-period SMA
S3	1.0596	Weekly Pivot Point
S4	1.0583	Monthly Pivot Point

Indicator	15M	30M	1H
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3; 3)	Neutral	Sell	Sell
ADX (14)	Neutral	Neutral	Neutral
CCI (14)	Neutral	Neutral	Neutral
AROON (14)	Buy	Buy	Buy
Alligator (13; 8; 5)	Sell	Sell	Sell
SAR (0.02; 0.2)	Sell	Sell	Sell
Aggregate	↘	→	→



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