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Trade Pattern Ideas

Thursday, October 20, 2016
07:30 GMT

EUR/SGD 1H Chart: Channel Down



Comment: EUR/SGD topped September highs early October, just to prove disequilibrium and give in to supply pressures, by entering a descending channel, which the pair has been maintaining. Losing volatility, an additional channel down has extended the latest wave, suggesting that the pair could reach the bottom trend-line around 1.5117 or 1.5087 and hover in the middle of the pattern a little longer. Decent support is currently provided by 1.5184, where the weekly S1 and junior channel bottom trend-line clusters, serving as an entry point for a slide towards the senior trend-line. The 1.5227/5225 area is capping upside movements for now and we look for it to fail there if more attacks are launched. There is, however, a strong possibility that the rate might fail to dip underneath 1.5222, as the two-month channel up could prove its dominance and cause the rate to break both junior ones. We would then look for 1.5433 as the ultimate target for the next large-scale wave.

	Level	Rationale
R4	1.5268	Junior Channel Upper Trend-line
R3	1.5257	Daily R1
R2	1.5246	Upper Bollinger Band
R1	1.5225/5227	20-hour SMA; Daily Pivot Point
S1	1.5206	Bottom Bollinger Band
S2	1.5194	Daily S1
S3	1.5184	Weekly S1; Junior Channel Bottom Trend-line
S4	1.5163/5158	Daily S2; Monthly S1

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

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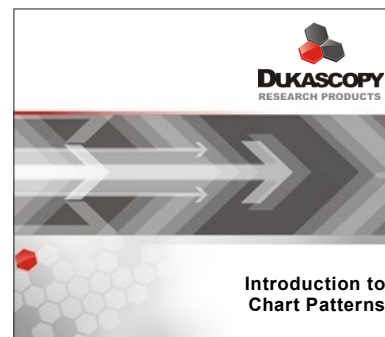
NZD/USD 1H Chart: Rising Wedge



Comment: A break below the bottom trend-line of the week-long wedge NZD/USD traded in suggests that a steep downward motion will extend the recent theme, further implying that a retracement should take place after the plunge is executed. We see the 0.7181/7166 area as one capable to limit dips underneath in the short term, with further risks skewed to the downside when the correction is completed. Considering the incomplete channel-like form of the recent motion, a possibility of the bullish market extension cannot be eliminated – meaning that should NZD/USD limit its weakness with 0.7207, a bounce towards the upper trend-line would confirm the channel, which would then lead to tests of levels above the channel bottom line.

	Level	Rationale
R4	0.7282	Daily R2
R3	0.7277	Wedge Upper Trend-line
R2	0.7252/7258	Upper Bollinger Band; Weekly R2; Daily R1
R1	0.7225/27	Daily Pivot Point; 20-hour SMA; Wedge Bottom Trend-line
S1	0.7210	55-hour SMA
S2	0.7202/7198	Bottom Bollinger Band; Daily S1
S3	0.7181	Monthly S1
S4	0.7172/7166	Weekly R1; Daily S2; 100-hour SMA

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



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