

NZD/CHF

GBP/NZD

22/09/2017



T R A D E

PATTERN IDEA



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NZD/CHF 1H Chart: Ascending Wedge



Following a six-week depreciation against the Swiss Franc, the Kiwi managed to reverse early on September and recover half of the losses. This upward movement revealed the existence of a junior channel up. This pattern, however, is a part of a longer-period descending channel in force since mid-July. The pair is gradually approaching the upper boundary of the senior pattern which is located near the 61.8% Fibonacci retracement and the weekly R2 circa 0.7230. It is likely that this area is reached on Monday. Given that ascending wedge is generally a bearish formation, the Kiwi should break out to the upside, possibly using the aforementioned 0.7230 area as a reversal point. Subsequently, the downside target could be the 200-hour SMA and the 38.2% Fib near 0.7010 a breakout of which should pave the way for a further decline. If nothing changes in the direction of the pair, it might test the lower boundary of the senior channel in the medium term.

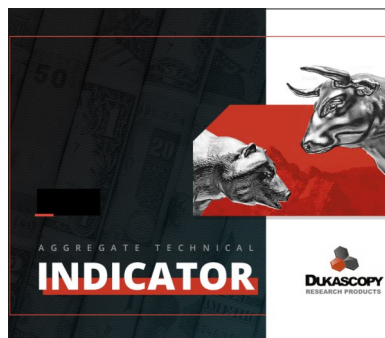
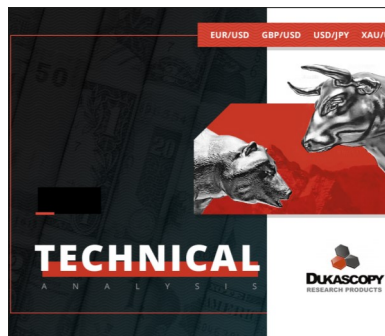
Indicator	4H	1D	1W
MACD (12; 26; 9)	Buy	Buy	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Sell	Sell	Sell
Alligator (13; 8; 5)	Buy	Buy	Sell
SAR (0.02; 0.2)	Sell	Buy	Sell
Aggregate	⇒	↗	↓

GBP/NZD 1H Chart: Ascending Wedge



The Pound has been trading in an ascending wedge against the New Zealand Dollar for the last nine weeks. This pattern is rather chaotic, as the rate failed to reach the upper wedge boundary for several weeks prior to surging up to the 1.87 mark. Nevertheless, it has approached a one-year symmetrical triangle apparent on the daily chart. This suggests that even if the Pound manages to push up to the 1.8790 area, reinforced by the monthly R2 at 1.8783, further gains are unlikely during the following weeks, at least. Meanwhile, the last few candles demonstrate that the bearish up-move has lost its strength and consequently might give the upper hand to bears even before reaching the upper triangle line. The rate faces a significant support set by the 100-, 55- and 200-hour SMAs, the weekly and the monthly R2 in the 1.8500/1.8440 area.

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