

CAD/JPY

GBP/CAD

07/12/2017



T R A D E

PATTERN IDEA



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CAD/JPY 1H Chart: Descending channel dominates



The Canadian Dollar has weakened against the Japanese Yen during the past two-and-a-half months, thus forming a descending channel. This pattern is a part of a long-term falling wedge which was formed mid-December, 2016. After bouncing off the bottom boundary of the medium-term channel, the Loonie managed to push up to the weekly R1 at 89.15 within a couple of sessions and thus reach the northern boundary of this pattern. From technical point of view, the pair should continue its movement south down to the bottom channel boundary located in the 86.00/86.50 territory. This scenario is likewise confirmed by weekly technical indicators. However, the pair found resistance at the 200-hour SMA in this session. Thus, it might still edge slightly higher before allowing bears to take the upper hand.

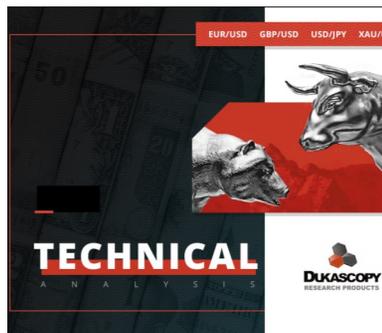
Indicator	4H	1D	1W
MACD (12; 26; 9)	Sell	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Sell	Neutral	Sell
Alligator (13; 8; 5)	Sell	Sell	Sell
SAR (0.02; 0.2)	Buy	Sell	Sell
Aggregate	↘	↘	↓

GBP/CAD 1H Chart: Pound pressured by resistance



GBP/CAD has been trading in a channel down since mid-August. The pair, however, has failed to reach the bottom boundary of this pattern several times, thus resembling more an ascending wedge. In the short term, the Pound bounced off the upper channel boundary last week and began trading lower. Given that solid Canadian GDP data release on December 1 strengthened the Loonie, the rate failed to form a proper pattern. Meanwhile, the Pound has lost its strong momentum during the past trading hours, as the combined resistance of the weekly and monthly PPs, the 200- and 100-hour SMAs pressure the given currency near the 1.7150 mark. This might force the pair into a period of consolidation, but nevertheless guide it towards the upper boundary of the short-term channel circa 1.72. In case bears prevail, the nearest support is the weekly and monthly S1s at 1.6860.

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Alligator (13; 8; 5)	Buy	Buy	Buy
SAR (0.02; 0.2)	Sell	Buy	Buy
Aggregate	⇒	⇒	⇒



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