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19/05/2017



Trade Pattern Ideas

Friday, May 19, 2017
07:30 GMT

NZD/CHF 4H Chart: Channel Down



Comment: The New Zealand Dollar is trading against the Swiss Franc simultaneously in the two descending channels. The junior channel began to form right after the RBZN announced the Official Cash Rate, which led to fall of the Kiwi. At the current moment, the currency rate is trading just above the bottom trend line of the dominant channel, which forms a strong support cluster together with the monthly S1 located at the 0.6735 level. Accordingly, the pair most likely will bounce off from it and begin an upward movement to test the weekly S1 at 0.6789. As a result of this surge, the junior channel will be broken.

	Level	Rationale
R4	0.6833	Upper Bollinger Band
R3	0.6789	Weekly S1
R2	0.6786	20-period SMA
R1	0.6776	Trend line
S1	0.6743	Trend line
S2	0.6738/35	Bottom Bollinger Band; Monthly S1
S3	0.6707	Weekly S2
S4	0.6698	Trend line

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

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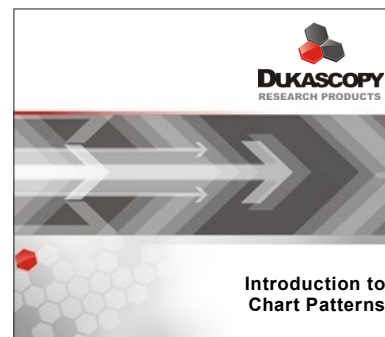
EUR/GBP 4H Chart: Rising Wedge



Comment: The four-hour chart reveals that the EUR/GBP currency rate is trading in the short-term ascending channel. As a result of gaining a bullish momentum in the middle of last week, the Euro has been outperforming the Pound, clearing itself the way towards the pattern's upper trend line. Due to the support put by the monthly R1 at 0.8567 and weekly R2 at 0.8559, the pair did not manage to resume a movement in the downward direction after bouncing off from the top border of the channel. As a result, the rising wedge began to form. Consequently, in the upcoming days' fluctuations of the rate should continue to narrow until the price breaks down.

	Level	Rationale
R4	0.8718	Monthly R2
R3	0.8631	Trend line
R2	0.8627	Weekly R3
R1	0.8622	Upper Bollinger Band
S1	0.8576	20-period SMA
S2	0.8567	Monthly R1
S3	0.8559	Weekly R2
S4	0.8552	Trend line

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



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