

NZD/CAD AUD/NZD

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T R A D E

PATTERN IDEA



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NZD/CAD 1H Chart: Two opposing channels



The New Zealand Dollar is trading in two opposing channels against its Canadian counterpart. The senior pattern was formed mid-September when the Kiwi started to create distinctive waves up and down. Its last moment upwards was likewise stranded between two channel lines. The rate peaked at 0.9020 and was subsequently dominated by bears. The rate continued to plunge early on Wednesday and thus broke out of the junior pattern. It is likely that this fall is stopped at the weekly PP and the 200-hour SMA circa 0.89, as technical indicators have already been pushed into the oversold territory. The base scenario favours the rate recovering from its intraday losses and thus returning near the bottom boundary of the junior channel, the 55-hour SMA and the 50.0% Fibonacci retracement circa 0.8650. In the medium term, however, the rate should push for the lower boundary of the senior pattern located near the monthly S1 at 0.88.

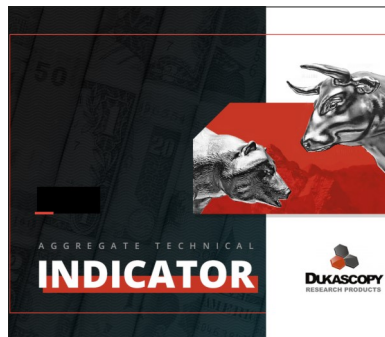
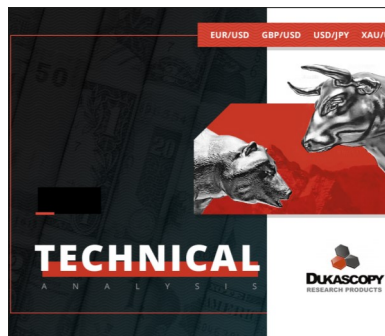
Indicator	4H	1D	1W
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Sell	Sell	Sell
Alligator (13; 8; 5)	Buy	Neutral	Sell
SAR (0.02; 0.2)	Sell	Buy	Sell
Aggregate	⇒	⇒	⇩

AUD/NZD 1H Chart: Short-term wedge



AUD/NZD has been trading in ascending channel valid since mid-September. The rate has already provided several confirmations, the latest of which was when the Aussie bounced off its bottom boundary circa 1.0910. The rate's movement during the past two weeks has been guided by a falling wedge. As a result of a strong upside momentum early on Wednesday, the rate re-tested its upper boundary, the 50.0% Fibonacci retracement and the 200-hour SMA. The rate could still appreciate slightly up to the weekly PP at 1.0993 in the upcoming hours; however, technical indicators suggest a soon rebound from their overly bullish positions. Thus, the Aussie could respect the wedge and consequently push lower. In the short-term, the target could be 1.0920 area where the 55-hour SMA, the monthly PP and the 38.2% Fibo are located, while traders could see a subsequent surge from this territory.

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