

ZAR/JPY

NZD/CHF

23/11/2017



T R A D E

PATTERN IDEA



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ZAR/JPY 1H Chart: Poised for minor correction south



Downside risks have dominated ZAR/JPY both in the long and medium term. The most senior pattern is a falling wedge in force since late November, 2016. A more recent bearish pattern is a three-month channel down that guided the rate from one wedge boundary to the other. After testing the 7.80 mark, the South African Rand began a new wave up in the medium pattern—a move which is constrained by a minor channel up. As apparent on the chart, the rate is currently testing this short-term pattern and it seems that a breakout to the downside might be successful. This assumption is also supported by technical indicators. The rate is likely to remain near the weekly PP and the 200-hour SMA circa 7.69 during this week and subsequently edge even lower down to the weekly and monthly S1s near 7.86. It is expected that the bottom boundary of the medium-term channel would not be reached, as the Rand should push for the upper wedge boundary during the following weeks.

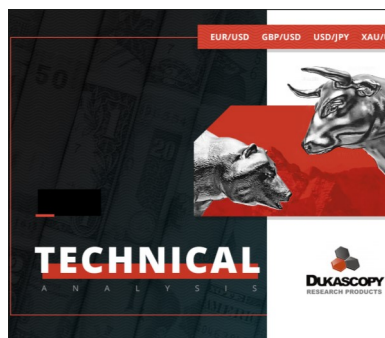
Indicator	4H	1D	1W
MACD (12; 26; 9)	Buy	Sell	Sell
RSI (14)	Neutral	Neutral	Neutral
Stochastic (5; 3)	Sell	Sell	Sell
Alligator (13; 8; 5)	Buy	Sell	Sell
SAR (0.02; 0.2)	Buy	Buy	Sell
Aggregate	↗	↘	↓

NZD/CHF 1H Chart: Kiwi tests two channels



NZD/CHF is currently trading in three channels. The senior one was formed mid-September, while the other two emerged only in November. The Kiwi bounced off the senior channel circa 0.6710 last week and has since entered a slight consolidation period. The current situation shows that the rate is testing the boundaries of two opposing patterns which are likewise reinforced by the 55- and 100-hour SMAs. Thus, two scenarios are possible. In case the bearish momentum prevails, the Kiwi should edge lower but with limited momentum, as the senior pattern and the weekly S1 are likely to restrict this currency circa 0.6680. The pair might subsequently trade sideways prior to a period of appreciation. Conversely, the medium pattern might be breached already in this session; however, sharp increase could be hindered by the weekly PP and the 200-hour SMA circa 0.6790. A surge is likely to follow.

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