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Trade Pattern Ideas

Thursday, March 07, 2013
16:30 GMT



EUR/GBP 4H Chart

Emerging Pattern: Rising Wedge



| | |
|---------------|------------------|
| Pattern start | 08:00 2013-01-03 |
| Length | 236 bars |
| Quality | 83% |
| Magnitude | 93% |

EUR/GBP has formed a Rising Wedge pattern on the 4H chart. The pattern has 83% quality and 93% magnitude in the 236-bar period.

The pattern began on 3rd of January when the pair dipped to 0.8086; currently it is trading at 0.8706; gap between pattern's support and resistance narrows by 80 pips in 100 bar period. Trading volume seems to be increasing in the length of the pattern. Technical indicators on aggregate point at appreciation of the pair on 4H and 1W horizons suggesting it should continue moving towards pattern's resistance and following pattern's, upward sloping, trend. As pair is pushing through the upper technical levels long traders are left with possible focus on the daily pivot (R3) at 0.8726.

Current market sentiment is strongly bearish as 64% of traders sold the euro versus the pound and 60% of pending orders are to go short as well. Short traders could focus on the daily pivot (R2) at 0.8698, Bollinger band at 0.8690, daily pivot (R1) at 0.8677, cluster of support levels at 0.8662/39 (pattern's support, 20-day SMA, daily pivot (PP) and 20-bar SMA). Daily pivot (S1) at 0.8627 and daily pivot (S2)/recent low/Bollinger band at 0.8599/87.






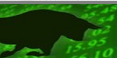
| EUR/GBP | 4H | 1D | 1W |
|----------------------|---------|---------|---------|
| MACD (12; 26; 9) | Buy | Sell | Sell |
| RSI (13) | Neutral | Neutral | Neutral |
| Stochastic (5; 3; 3) | Sell | Neutral | Neutral |
| ADX (13) | Buy | Neutral | Buy |
| CCI (13) | Sell | Neutral | Sell |
| AROON (14) | Buy | Sell | Buy |
| Alligator (13; 8; 5) | Neutral | Buy | Buy |
| SAR (0.02; 0.2) | Buy | Buy | Buy |



GBP/NZD 1H Chart

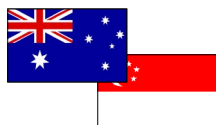
Emerging Pattern: Channel Down

| | |
|---------------|----------------------------|
| Pattern start | 22:00 2013-02-28 |
| Length | 90 bars |
| Quality | <div><div></div></div> 59% |
| Magnitude | <div><div></div></div> 76% |

| GBP/NZD | 4H | 1D | 1W |
|--------------------|---|---|---|
| Resistances: | 1.8185 | 1.8212 | 1.8245 |
| Supports: | 1.8149 | 1.8136 | 1.8118 |
| Our suggestion: |  |  |  |
| MACD | Buy | Buy | Buy |
| RSI | Neutral | Neutral | Neutral |
| Stochastic | Sell | Neutral | Buy |
| ADX | Neutral | Sell | Neutral |
| CCI | Sell | Neutral | Buy |
| AROON | Buy | Sell | Sell |
| Alligator | Sell | Sell | Sell |
| SAR | Buy | Sell | Sell |
| Market sentiment |  | 65% | |
| CCY: (bought/sold) | GBP | 69%/31% | |
| | NZD | 29%/71% | |



GBP/NZD has formed a Channel Down on a 1 hour chart, but is currently moving upwards after testing the lower edge of the corridor at 1.8046 twice, thus creating a double bottom pattern with a neckline area at 1.8185. If this resistance is breached, then a surge up to the 200-bar SMA at 1.8245 is likely to be swift and may even extend up to the down-trend resistance line at 1.8303.



AUD/SGD 1H Chart

Emerging Pattern: Channel Up

| | |
|---------------|------------------|
| Pattern start | 22:00 2013-03-03 |
| Length | 75 bars |
| Quality | 65% |
| Magnitude | 100% |

| AUD/SGD | 4H | 1D | 1W |
|--------------------|---------|---------|---------|
| Resistances: | 1.2815 | 1.2837 | 1.2857 |
| Supports: | 1.2791 | 1.2750 | 1.2725 |
| Our suggestion: | | | |
| MACD | Buy | Sell | Buy |
| RSI | Neutral | Neutral | Neutral |
| Stochastic | Neutral | Neutral | Sell |
| ADX | Neutral | Buy | Neutral |
| CCI | Neutral | Neutral | Neutral |
| AROON | Buy | Buy | Sell |
| Alligator | Buy | Buy | Sell |
| SAR | Sell | Buy | Buy |
| Market sentiment | | 73.5% | |
| CCY: (bought/sold) | AUD | 43%/57% | |
| | SGD | 36%/64% | |



AUD/SGD has formed a Channel Up on a 1 hour chart, suggesting that the Australian Dollar is more likely to appreciate rather than to lose value relatively to its Singapore counterpart. Moreover, most of technical indicators are giving 'buy' signals. However, a notable majority (73.5%) of market participants are expecting a decline.



USD/MXN 1H Chart

Emerging Pattern: Channel Down

| | |
|---------------|------------------|
| Pattern start | 16:00 2013-02-26 |
| Length | 136 bars |
| Quality | 51% |
| Magnitude | 82% |

| USD/MXN | 4H | 1D | 1W |
|--------------------|---------|---------|---------|
| Resistances: | 12.8002 | 12.8165 | 12.8339 |
| Supports: | 12.7714 | 12.7528 | 12.7337 |
| Our suggestion: | | | |
| MACD | Sell | Buy | Sell |
| RSI | Neutral | Neutral | Neutral |
| Stochastic | Neutral | Neutral | Neutral |
| ADX | Buy | Neutral | Neutral |
| CCI | Neutral | Sell | Neutral |
| AROON | Buy | Buy | Buy |
| Alligator | Buy | Neutral | Buy |
| SAR | Buy | Buy | Buy |
| Market sentiment | | 72% | |
| CCY: (bought/sold) | USD | 50%/50% | |
| | MXN | 74%/26% | |



USD/MXN has formed a Channel Down on a 1 hour chart, although it may be possible that the upper falling trend-line is in fact more sloped than shown in the picture above. But the peak has not yet been fully formed, so it is too early to say, even though the selling pressure is already felt ahead of the resistance.



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