



Daily Trading Highlights

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Wednesday, September 11, 2019



Foreign Exchange

The US dollar was bullish against most of its major pairs on Tuesday with the exception of the CAD and CHF. On the economic data front, US NFIB Small Business Optimism decreased to 103.1 (expected 103.5) in August compared to 104.7 in July, reaching its lowest in four months. Looking into Wednesday, traders will be eyeing key economic data regarding mortgage applications, PPI and wholesale inventories before the market opens.

The Euro was bearish against most of its major pairs with the exception of the JPY. In Europe, UK ILO unemployment rate fell to 3.8% for the May-July period from 3.9% in the previous period. It was expected to be flat. French industrial production increased by 2.3% in July (+0.5% expected) after a 2.3% slide a month earlier.

The Australian dollar was mostly bullish against its major pairs with the exception of the CAD and CHF.

Gold spot Intraday: capped by a negative trend line.

Pivot: 1498.00

Our preference: short positions below 1498.00 with targets at 1475.00 & 1468.00 in extension.

Alternative scenario: above 1498.00 look for further upside with 1505.00 & 1514.00 as targets.

Comment: the RSI is mixed to bearish.



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EUR/USD Intraday: rebound expected.

Pivot: 1.1035

Our preference: long positions above 1.1035 with targets at 1.1060 & 1.1070 in extension.

Alternative scenario: below 1.1035 look for further downside with 1.1025 & 1.1015 as targets.

Comment: a support base at 1.1035 has formed and has allowed for a temporary stabilisation.



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GBP/USD Intraday: bullish bias above 1.2335.

Pivot: 1.2335

Our preference: long positions above 1.2335 with targets at 1.2380 & 1.2400 in extension.

Alternative scenario: below 1.2335 look for further downside with 1.2305 & 1.2270 as targets.

Comment: the RSI has just landed on its neutrality area at 50% and is turning up.



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USD/JPY Intraday: towards 107.85.

Pivot: 107.35

Our preference: long positions above 107.35 with targets at 107.65 & 107.85 in extension.

Alternative scenario: below 107.35 look for further downside with 107.20 & 107.05 as targets.

Comment: the RSI is bullish and calls for further upside.



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AUD/USD Intraday: key resistance at 0.6870.

Pivot: 0.6870

Our preference: short positions below 0.6870 with targets at 0.6845 & 0.6835 in extension.

Alternative scenario: above 0.6870 look for further upside with 0.6885 & 0.6900 as targets.

Comment: the upward potential is likely to be limited by the resistance at 0.6870.



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USD/CAD Intraday: watch 1.3110.

Pivot: 1.3165

Our preference: short positions below 1.3165 with targets at 1.3130 & 1.3110 in extension.

Alternative scenario: above 1.3165 look for further upside with 1.3185 & 1.3200 as targets.

Comment: a break below 1.3130 would trigger a drop towards 1.3110.



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USD/SGD Intraday: bullish bias above 1.3785.

Pivot: 1.3785

Our preference: long positions above 1.3785 with targets at 1.3810 & 1.3820 in extension.

Alternative scenario: below 1.3785 look for further downside with 1.3770 & 1.3755 as targets.

Comment: a support base at 1.3785 has formed and has allowed for a temporary stabilisation.



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MA (50) & MA (20): The most simple trend indicators are Moving Averages. They simply correspond to an average calculated on an evolving time scale (20 and 50 periods): every day, the oldest value (often taken at the close) in the average calculus is replaced by the value of the new session.

Bollinger bands: are represented by 3 different bands and are derived from moving averages. The middle band corresponds to a simple moving average (MA (20)). The level of the upper band, in every point, corresponds to the sum of the level of the middle band and twice the value of the standard deviation associated to the 20-day moving average. Reciprocally, the level of the lower band corresponds to the level of the middle band diminished by twice the value of the standard deviation associated to the 20-day moving average. An envelop of the stock price is thus determined. This makes it possible to then identify the variation margin in which the stock should stay almost systematically. In the case of a stock following a Gauss law, 95 % of the trades will thus occur between these bands.

RSI (14): the Relative Strength Index aims at establishing a reference scale independently from the stock prices levels themselves. As the RSI has boundaries (0 and 100), it then becomes very easy to determine overbought (above 70) and oversold (below 30) areas. In addition, just as on prices themselves, supports and resistances can appear, especially when nearing the neutrality zone (near 50). Thus, the RSI is one of the most commonly used counter-trend indicators.

It is based on the average of rises and drops of price, with the formula:

$$RSI = 100 - [100 / (1 + RS)]$$

Where RS represents the average of up closes divided by the average of down closes on the considered period (14).



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