

Technical Analysis Report

26 Jan '2021

AUD/USD: Technical Analysis Report 26 Jan 2021



Monthly timeframe:

(Technical change on this timeframe is often limited though serves as guidance to potential longer-term moves)

Following two spirited months of gains off demand at 0.7029/0.6664 (prior supply), early 2021, despite currently fading session peaks, shines light on a possible continuation higher to 0.8303/0.8082—a supply zone aligning closely with trendline resistance (prior support – 0.4776).

In terms of trend, the primary downtrend (since mid-2011) remains south until breaking 0.8135 (January high [2018]).

Daily timeframe:

Brought forward from previous analysis –

Recent developments show a bullish pennant pattern establishing a foothold, forming between the 2021 high at 0.7820 and January 4 low at 0.7642.

Technicians will also note the aforesaid pattern balances off support at 0.7647, with supply at 0.7937/0.7890 to perhaps make an arrival in the event a breakout higher develops.

Out of the RSI indicator, the value remains entrenched within an early descending channel. Support is seen at 52.00, while resistance is set around 80.19.

H4 timeframe:

The daily timeframe's bullish pennant pattern, according to the H4 chart's technical framework, is developing between demand at 0.7665/0.7644 (prior supply) and resistance at 0.7805.

Outside areas to be conscious of are resistance at 0.7843 and demand at 0.7600/0.7625—an area of particular importance due to it being within this zone a decision was made to breach 0.7639 (December 17 high). Also seen intersecting with the demand is a 127.2% Fib projection at 0.7620.

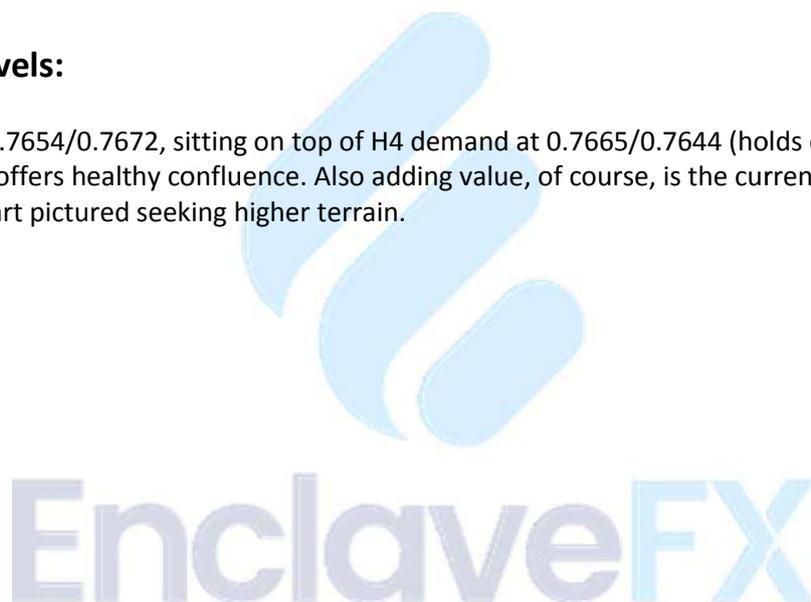
H1 timeframe:

0.77 received a blow on Monday, whipsawing to lows at 0.7682 and producing a hammer candle pattern. Buyers are in force, yet whether they contain enough fuel to retest 0.7228 resistance is difficult to estimate, especially as H4 demonstrates a clear(ish) path to demand at 0.7665/0.7644.

Another prominent characteristic on the H1 is demand at 0.7654/0.7672, seen fastened to the upper side of the aforesaid H4 demand.

Observed levels:

H1 demand at 0.7654/0.7672, sitting on top of H4 demand at 0.7665/0.7644 (holds daily support at 0.7647 within), offers healthy confluence. Also adding value, of course, is the current uptrend and the monthly chart pictured seeking higher terrain.





Thank You!

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