

Technical Analysis Report

03 Feb '2021

AUD/USD: Technical Analysis Report 03 Feb 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 pencilled in a half-hearted shooting star candle formation (a bearish signal at peaks).

This, together with February's 0.5 percent depreciation, shines light on a possible correction in the first quarter of 2021. Though should buyers regain consciousness, a continuation higher to 0.8303/0.8082—a supply zone aligning closely with trendline resistance (prior support - 0.4776)—could play out.

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

Daily timeframe:

Latest developments nudged trendline support (0.5506) in the fight. Buyers, as you can see, have shown some life, though traders are still urged to pencil in demand at 0.7453/0.7384 (prior supply) should sellers make a show.

In the event buyers take over off trendline support, refreshing 2021 tops could be on the cards as well as a test of supply at 0.7937/0.7890.

As evidenced from the RSI indicator, the value is seen dipping a toe in waters beneath the 50.00 centreline, following a trendline support breach last week.

H4 timeframe:

For those who read Tuesday's technical writing you may recall the following (italics):

The break of demand at 0.7600/0.7625 last Thursday likely cornered many buyers in this region. This, alongside the Fib cluster at 0.7696 serving up resistance, suggests price is perhaps bound for territory south of demand. Interestingly, below demand we have the daily trendline support close by around the 0.7583 neighbourhood.

As you can see from the chart, price has snapped through demand at 0.7600/0.7625, with daily price reacting from trendline support—a fakeout play here?

H1 timeframe:

Similar to the H4 chart, H1 whipsawed through 0.76 bids—likely causing pain on both sides of the market—and tested daily trendline support. Focus is now on price reclaiming 0.76+ status, a move which could provide upside impetus today.

In terms of the RSI indicator, we are seeing the value head for the underside of the 50.00 centreline, with resistance targeted at 60.18.

Observed levels:

Buyers holding the daily trendline support, along with H4 tripping stops south of demand at 0.7600/0.7625 as well as H1 also tripping stops below 0.76, could spark a bullish scenario above 0.76 today, assuming a H1 close above the level.

A large, light blue watermark of the EnclaveFX logo is centered on the page. It features a stylized 'E' icon above the text 'EnclaveFX'.



Thank You!

www.enclavefx.com
support@enclavefx.com