

# Technical Analysis Report

## 18 March '2021

# GBP/USD: Technical Analysis Report 18 March 2021



Yesterday, the GBP/USD pair grew to the level of 1.3957. The instrument is supported by the scale of the UK vaccination program, which has taken an accelerated pace. As of Thursday, nearly 25M people have received the first dose of the vaccine, and 1.66M have received the second vaccine. All people over 50 are expected to be vaccinated for the first time by the end of March, ahead of the government's schedule.

Further strengthening of the rate may be limited due to the decision on the interest rate by the Bank of England today at 14:00 (GMT+2). Economists expect the rate to remain unchanged at 0.10%. The main focus will be on the comments of the head of the regulator Andrew Bailey. Investors are worried about expectations of a significant increase in inflation in 2021 and an increase in the cost of borrowing, thanks to which large-scale economic stimulus programs are being implemented.

The dollar is under pressure after yesterday's press conference by US Federal Reserve Chairman Jerome Powell. According to him, this year inflation may go beyond the target level of 2% but it is not worth rushing with forecasts for an increase in the interest rate because of this. The future way of the US economy is uncertain, and its recovery is heavily dependent on the coronavirus.

## Support and Resistance

The instrument is correcting within a long-term uptrend. The chart shows a range that is limited by the resistance of 1.3983 and the support of 1.3823. The breakout of 1.3983 allows a new growth impulse to 1.4140. Consolidation below the support of 1.3823 allows the correction to 1.3644.

In the medium term, the pair is moving within an upward trend. The key support is at 1.3856–1.3818. For the growth to the area of 1.4098 and 1.4176, the breakout of the resistance level of 1.3995 is required.

Resistance levels: 1.3983, 1.4140, 1.4330.

Support levels: 1.3823, 1.3644, 1.3512.

## Trading Tips

- ) Long positions may be opened above 1.3995 with the target at 1.4176 and stop loss 1.3933. Implementation period: 5–7 days.
- ) Short positions may be opened below 1.3828 with the target at 1.3644 and stop loss 1.3916.

## Scenario

Timeframe: Weekly

Recommendation: Buy Stop

Entry Point: 1.4000

Take Profit: 1.4176

Stop Loss: 1.3933

Key Levels: 1.3512, 1.3644, 1.3823, 1.3983, 1.4140, 1.4330

## Alternative Scenario

Timeframe: Weekly

Recommendation: Sell Stop

Entry Point: 1.3825

Take Profit: 1.3644

Stop Loss: 1.3916

Key Levels: 1.3512, 1.3644, 1.3823, 1.3983, 1.4140, 1.4330



**Thank You!**

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