

Technical Analysis Report

10 May '2021

GBP/USD: Technical Analysis Report 10 May 2021

Current Trend: the pound started the week with a growth

The GBP/USD pair is strengthening amid market expectations of a possible easing of quarantine restrictions, which British Prime Minister Boris Johnson is to announce today. He may approve the resumption of international travel from May 17 but citizens will have to undergo testing and quarantine when entering the country. Also, permission will be given to operate pubs and restaurants and to resume indoor meetings citizens groups of up to six people.

However, investor optimism may not last long as the country faces a new political crisis. Supporters of its independence confidently won the elections to the Scottish parliament, and First Minister Nicola Sturgeon has already announced the need for a new referendum on secession from the UK. Boris Johnson confirmed that he will try to block a new referendum as the last expression of the will of the people of Scotland took place quite recently, in 2014.

USD remains under pressure due to the poor April data on the US labor market. The rise in unemployment to 6.1% and the slowdown in employment growth from 770K to 266K disappointed investors who were counting on tightening monetary policy and confirmed that the American economy will still take a long time to recover.

Support and Resistance:

A breakdown of 1.4100 allows growth to 1.4160 (Murrey [8/8]) and 1.4221 (Murrey [+1/8]). The key "bearish" level is 1.3895 (Bollinger bands' midline), which breakdown allows a decline to 1.3793 (Murrey [2/8]) and 1.3732 (Murrey [1/8]). In general, the upward trend persists, as indicators reflect: Bollinger Bands and Stochastic are directed upwards, MACD grows in the positive zone.

Resistance Levels: 1.4100, 1.4160, 1.4221.

Support Levels: 1.3895, 1.3793, 1.3732.

Trading Tips:

-) Long positions may be opened above 1.4100 with the targets at 1.4160, 1.4221, and stop loss 1.4055. Implementation period: 5–7 days.
-) Short positions may be opened below 1.3895 with the targets at 1.3793, 1.3732, and stop loss 1.3965.

Scenario

Timeframe: Weekly

Recommendation: Buy Stop

Entry Point: 1.4105

Take Profit: 1.4160, 1.4221

Stop Loss: 1.4055

Key Levels: 1.3732, 1.3793, 1.3895, 1.4100, 1.4160, 1.4221

Alternative Scenario

Timeframe: Weekly

Recommendation: Sell Stop

Entry Point: 1.3890

Take Profit: 1.3793, 1.3732

Stop Loss: 1.3965

Key Levels: 1.3732, 1.3793, 1.3895, 1.4100, 1.4160, 1.4221



Thank You!

www.enclavefx.com
support@enclavefx.com