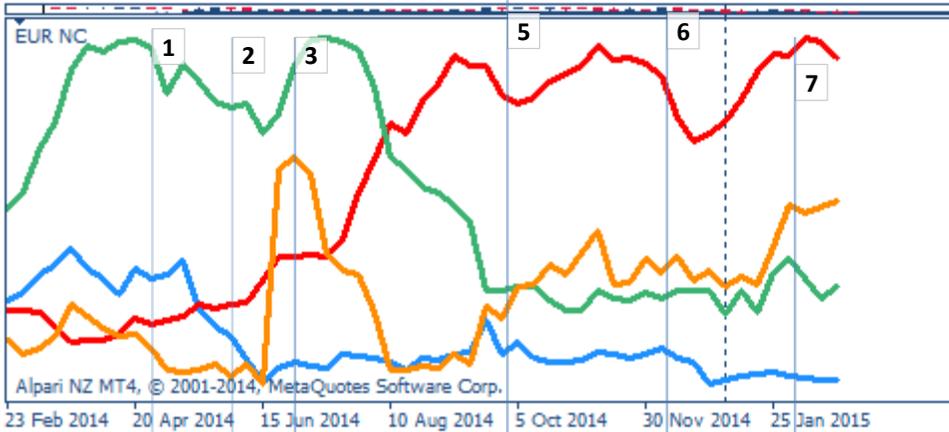


# EURNZD Wednesday, 4<sup>th</sup> of March 2015



(1) The price is trading below the 20 EMA, recently broken the yearly pivot. On COT NZD speculators are mostly long while EUR is much less decided, with longs being only a little bit higher than the shorts. Our general bias is bearish.

The current week tested the combined level of EMA and the pivot but bounced from it, allowing us to look for sells on lower timeframes.

(2) Now EUR speculators became net bearish while NZD still remains strongly bullish. The price tried to break above the EMA but was rejected. The premise is very bearish.

(3) As we've already seen on AN and NU charts, the spike in NZD selling cannot be ignored. The market continued down for another week and then reversed.

Note that EUR sells are on the rise and the price is still below the EMA so it is hard to expect a major trend reversal.

(4) The price has stalled on the EMA for 6 weeks, unable to break it. NZD longs were bailing out in the meantime (bullish for EN) and EUR shorts continued to increase (bearish for EN).

After the price closed in a strong candle above the previous 6 weeks and the EMA and then retraced right back to the EMA it was a signal of NZD speculators shifting the balance of power on their side. Buying is risky, however, because there is only support of one currency to do so. The goals would be the blue 100 EMA and yearly pivot.

(5) The previous week closed right on the 100 EMA and the next week broke through both EMA and the pivot. Imagine how that candle looked when the price was trading near its high – it certainly seemed that NZD bears have won that battle. After the candle was rejected and closed below the pivot a change of plans was in order.

The price continued to trade sideways for 5 weeks, not able to break the pivot even once. With EUR sells further increasing the premise was certainly changing to bullish, given the pressure build up in this area.

(6) After the bears have won the previous battle, the bulls managed to get the price back above the 20 EMA and tested the 100 EMA as well. The balance of power on COT chart remains largely unchanged.

The next week closed very bearish, breaking the previous 2 weeks and the 20 EMA. Note how the price briefly tested the 100 EMA again – when we see the bulls still struggling to push the price up but ultimately completely failing at it, it is a very good bearish sign.

(7) The bulls managed to pull off another correction back to the EMA, but the bears were protecting that level and forced the price to close below on each week.

Going down to Daily, notice how a bullish bar broke above the January's pivot and tested the 200 EMA, only to close below – it is this type of signals we are looking for, along the path of least resistance on a higher TF.