

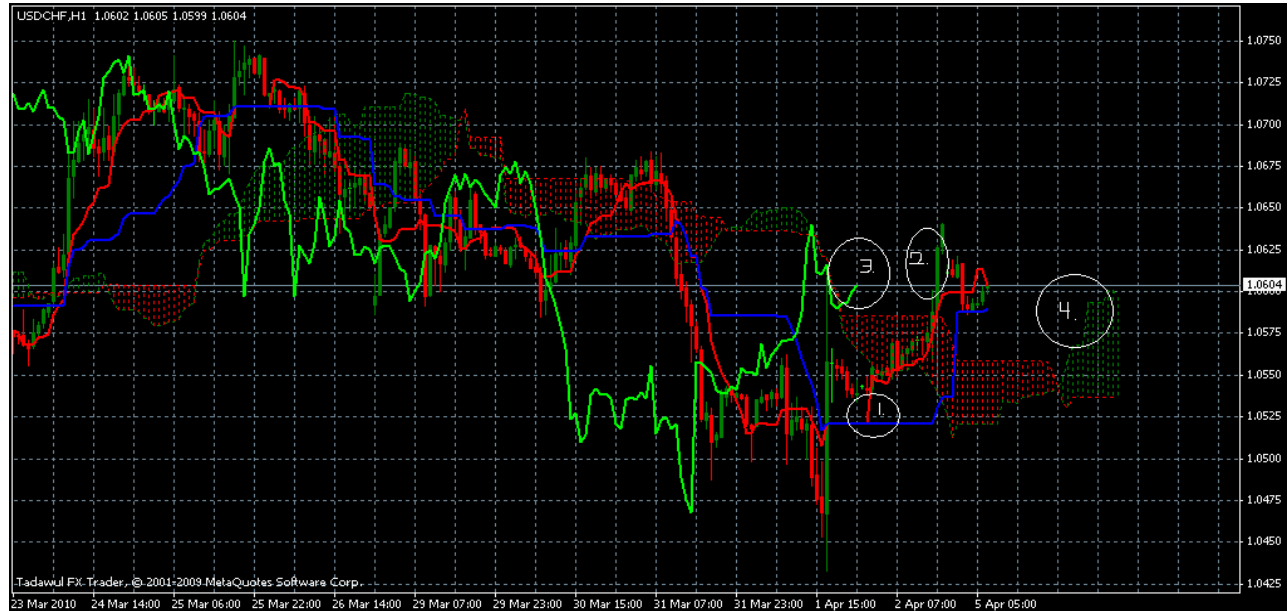
USDCHF

April 04, 2010

Note: This is not a signal to buy/sell!! Please do not use my analysis to make a trade, this is an attempt to structure my thought process within analyzing a chart.

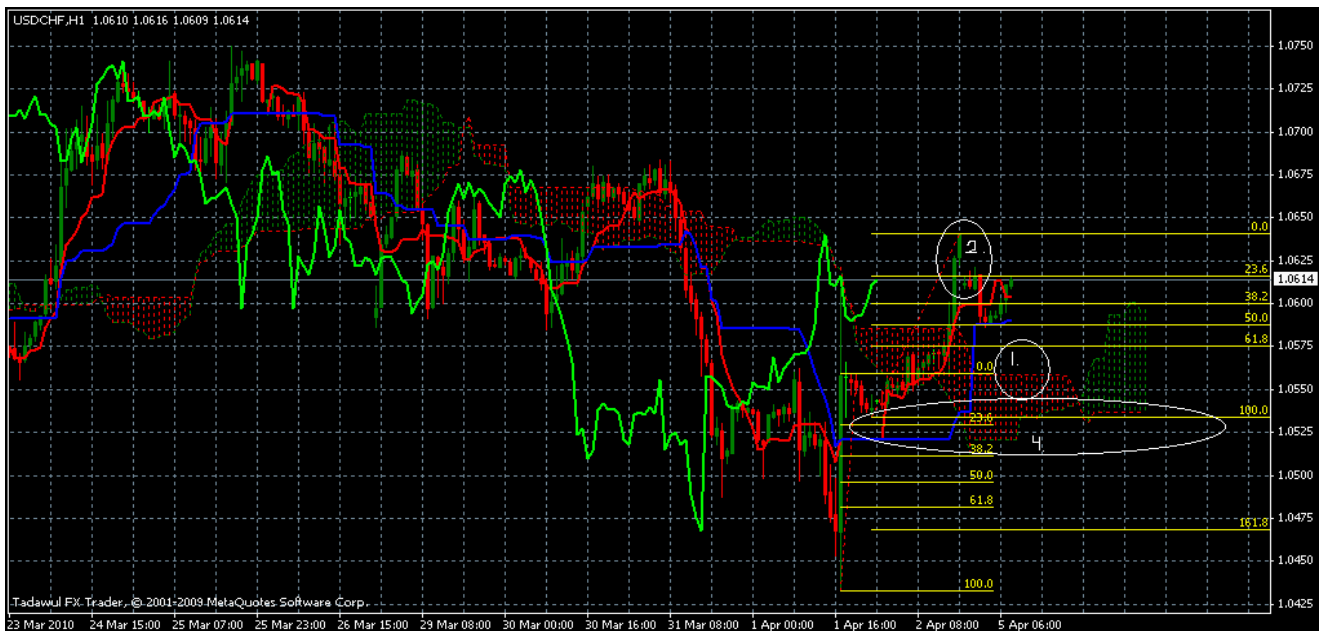
Pair: USDCHF

Time Frame: H1 & H4



Lets analyze this chart and determine how strong the kumo breakout is:

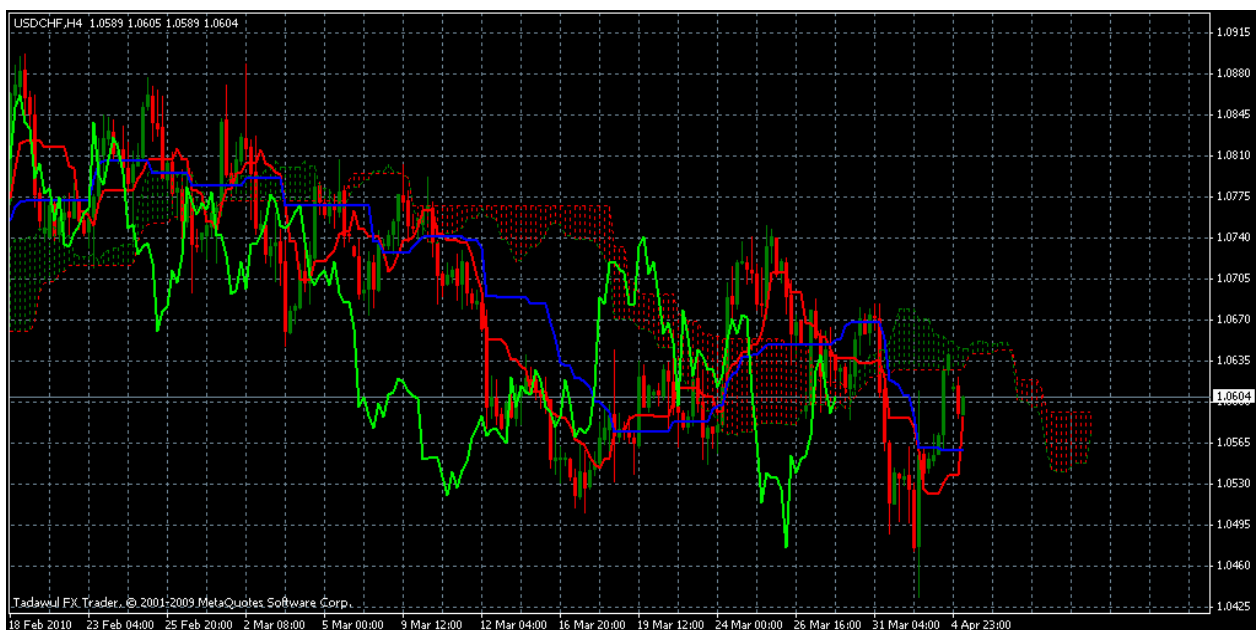
1. There is a bullish Tekan/Kijun cross
2. There is a candle close outside above the kumo
3. Chikou confirms the bullish bias
4. The leading kumo is bullish



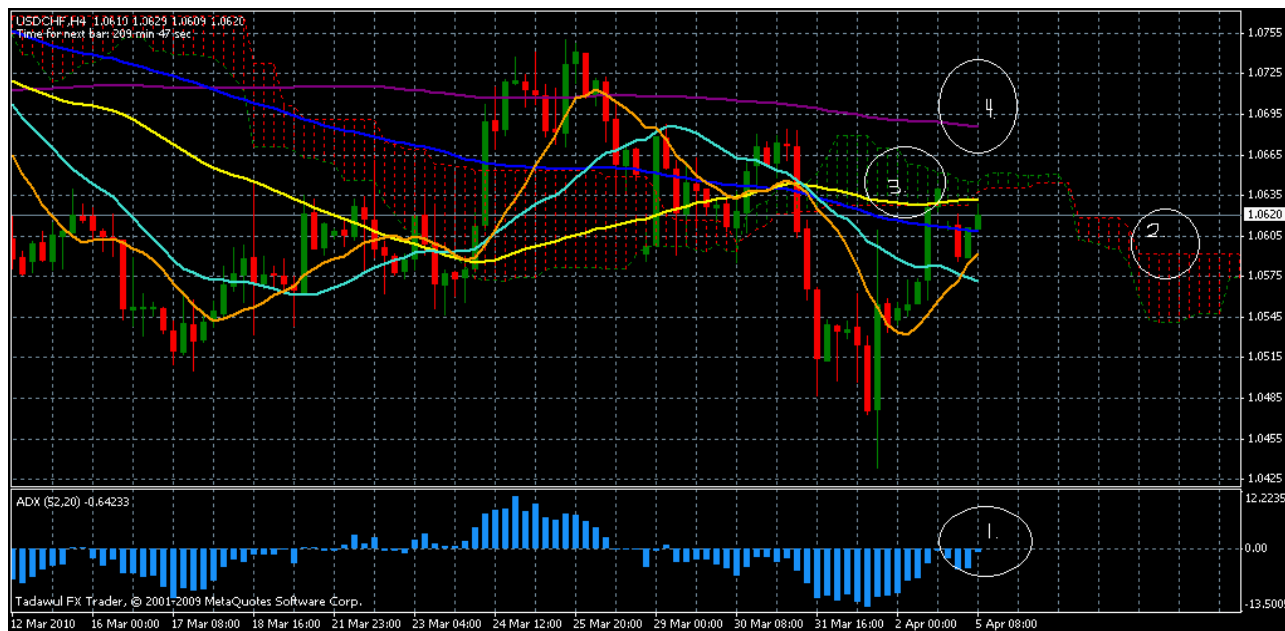
Now lets analyze why this may be a weak signal:

1. Notice that the bearish kumo has a flat top, this can be dangerous as it represents “price equilibrium” and price likes to come back towards it.
2. There is a bearish shooting star (reverse hammer), there has also been a failure to make higher highs, maybe its just retracing? ...maybe
3. We may be expecting a bearish Tenkan/Kijun cross soon
4. We have a convergence of Fibonacci levels, the 23 and 100, which provides support for a bullish bias, we also have a pivot level at 1.0551, which provides further bullish support

Before I place my order for this amazing opportunity, I need to confirm this bullish bias via another method.



In general we can see that price action is still below the kumo, there is a bullish cross but its would be considered a weak signal, chikou also hasn't yet broken out of the kumo.



Note: 200SMA is purple, 100SMA is blue, 50SMA is yellow, 20SMA is turquoise, 10SMA is orange

1. ADX is showing a bearish bias
2. The leading kumo is bearish
3. The 100 SMA is providing resistance
4. The 200 SMA is providing resistance
5. The central pivot point is 1.0597

Even though the H1 chart shows a promising bullish trade, I still remain bearish. Even though NFP numbers came out with 162K, worse then the forecast but better then the previous of -14K, I don't believe price action will be able to break past 200SMA. The best course of action would be to either enter a bearish trade with a tight stop loss just above the 200SMA, or simply wait for Monday or Tuesday, to see how the market will continue to move.