



EUR/USD, May 27th

Next few days

Trend	Up
Action	Buy
Risk of trend reversal	Medium
Stop loss	
EUR/USD spot	below 1.0599
EUR/USD June	below 1.0601

The trend is likely to reverse when the risk of a trend reversal is high. A breach of a key reversal level implies a neutral position.

Forecast Indicators (120-min chart)

Elliott wave	Bullish
Sentiment	Bullish
MACD	Bullish
DMI	Bearish
RSI	Neutral
M/A crossover	Bearish

Target: 1.1070 (Future **1.1072**)

Best risk/reward trade:

Buy in the range 1.0599-1.0820 for a move to 1.1070

Why?

Indicators are mixed and the Elliott wave is the start of wave C up. The decline is wave B in three waves [a,b,c (circle)] and wave c (circle) does not appear to be complete. This means wave C up should start from lower levels. The MACD has crossed above the signal line (bullish), the RSI is no longer oversold as prices bounce back. The decline is nearing an end and we could see lower prices and a divergence on the RSI before the decline ends. Strong support between 1.0599 (support line) and 1.0795 (pivot S2).

Next few weeks

Trend	Up
Action	Buy
Risk of trend reversal	Medium
Stop loss	
EUR/USD spot	below 1.0451
EUR/USD June	below 1.0448

The trend is likely to reverse when the risk of a trend reversal is high. A breach of a key reversal level implies a neutral position.

Forecast Indicators (daily chart)

Elliott wave	Bullish
Sentiment	Bullish
MACD	Bearish
DMI	Bearish
RSI	Neutral
M/A crossover	Bullish

Target: 1.1500 (Future **1.1502**)

Best risk/reward trade:

Buy in the range 1.0451-1.0950 for a move to 1.1500

Why?

Indicators are mixed and the Elliott wave is wave C up. The current decline is wave B of an upward zigzag [A,B,C]. This move down is nearing an end because the pattern is in three waves [a,b,c (circle)]. But the decline could end in a wide range because it's a B wave. A potential target is 1.0800. Strong support between 1.0451 (Elliott wave support) and 1.0519 (previous low).

Trade Alert

Contract: EUR/USD Spot

Trade: We buy at 1.0840, target 1.1500, stop loss 1.0450

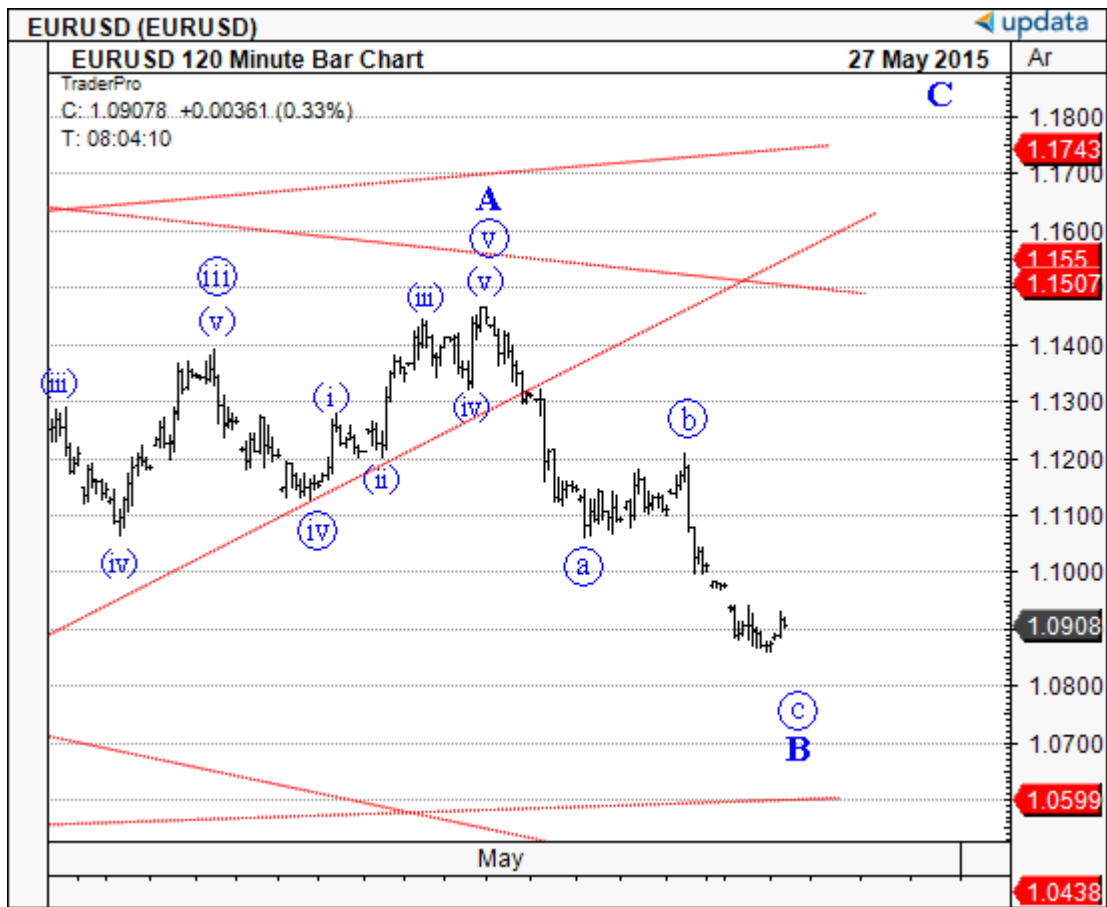
Key levels & Events

Key levels	Cash	Future	Main events (UK time):		
Resistance line (2)	1.3664	1.3666			
200-day MA	1.1857	1.1859			
Previous support line	1.1742	1.1744	Tomorrow	07:20	FOMC member Williams speaks
Previous support line	1.1546	1.1548			
Resistance line (1)	1.1507	1.1509			
Previous high	1.1467	1.1469			
Pivot R2	1.1009	1.1011			
Pivot R1	1.0941	1.0943			
Pivot point	1.0902	1.0904			
Pivot S1	1.0834	1.0836			
Pivot S2	1.0795	1.0797			
Support line (4)	1.0599	1.0601			
Previous low	1.0519	1.0521			
Elliott wave support	1.0451	1.0453			
Previous resistance line	1.0438	1.1815			
Support line (3)	1.0392	1.0394			
Support line	0.9663	0.9665			
(1) Drawn from the highs on 15 August and 16 December 2014					
(2) Drawn from the highs in May 2011 and May 2014					
(3) Drawn from the lows in October 2008 and March 2015					
(4) Drawn from the lows on 16 March and 13 April					

Events that could change the forecast

FOMC member Williams speaks tomorrow at 07:20

2-hour chart:



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