

USD/SGD Has Broken A Key Resistance Zone

20 minutes ago

The US Dollar has been gaining some ground for today, especially versus the Yen and the Singaporean Dollar. On the 4 hour chart below of the USD/SGD, courtesy of ActivTrades , we can see a blue line which is the 200 period Exponential Moving Average around the resistance zone of the 1.2535 level. This moving average had been acting as a good resistance zone with the lows of the candles being higher than the previous ones, forming what we call an ascending triangle pattern.



This pattern is called an ascending triangle, because the lows keep getting higher and higher, while the highs remain at the same level. During an ascending triangle formation there is a higher probability of getting a breakout to the upside, because every time the bears try to push the price lower, the bulls come strong into the market and bring it right up until it finally breaks the resistance. But this is only a probability; therefore, the price may breakout in any direction out of the triangle.

After the breakout of the triangle, we have already gotten confirmation of such breakout and we are just waiting to see if we get a pullback to the same 1.2535 level for a possible long

entry. This same zone of the 1.2535 may act now as a support and if prices do come back to this level, there is a chance of seeing a bounce to the upside and continuation of the breakout.

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