

The Pound is attempting a bullish correction

Long drop on the Pound versus the Dollar, but for how long?
by [ActivTrades](#),

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Last Friday, the GBP/USD broke below the round number and psychological level of one Dollar and 68 cents per British Pound. The last high on the pair was the 1.7190 level, just 10 pips shy of hitting the 1.72 level. Taking the drop from those levels to just below the 1.6800 level, we can calculate that the Pound has lost approximately 2.3%. However, even though the drop seems significant, the bullish uptrend on the weekly chart appears to be intact. Therefore, prices may try to correct to the upside, given that the pair has been oversold as shown by the Stochastics indicator on the 4 hour chart above, courtesy of **Forex Broker ActivTrades** <http://www.activtrades.co.uk/>.



On the same chart we can see that the Stochastics have come out of the oversold zone and are above the 20% level. This is showing us a little bit of a correction to the upside. On the price

chart, we can also see that the last 4 hour candles are bullish and the price is trying to pay a visit to the middle Bollinger Band around the 1.6811 region. But we must keep in mind that in order for the price to get to that zone, it would have to break above the 1.6800 level first.

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