



## Descending Triangle Breakout

USD/CHF - 19<sup>th</sup> March 2009



There was almost a bullish double bottom at the 1.1370 buy trigger but the price never rallied above the intervening peak. Instead a triangle pattern developed towards the end of the consolidation. The break below 1.1370 provided a 110 pip profit target. Two bars before penetration, on the 30min chart, a bearish stochastic kiss developed and thus with ADX beginning to rise again indicating potential resumption of the downtrend this was a valid sell. Note that the move lower ended at the triangle apex but this provided the target well before the reversal.

Although this was at a given buy level the fact that a support level was broken does open up the consideration of a trade in the opposite direction, supported by the indicator and price patterns.