



Trendline break

USD/CAD - 25th March 2009



Price peaked at 1.2354, just a few pips above the 1.2351 sell trigger. It seemed as if a double top had formed but to confirm that a support line that had been touched 4 times before it broke. This break was just above the last swing low from where price had last bounced from the trendline. There was a wedge structure in place which saw a failure of the price to reach the upper resistance line. On a setup like this it is a bit difficult to be certain of a profit target but the double top measurement would be ideal. This implied a 50 pip initial target. Once the trend support was broken there was a small pullback, price dropped directly to the 1.2220 level.