

Weekly FX Charts Newsletter

October 8, 2018

The Weekly FX Charts Newsletter provides Cornelius Luca's trade ideas, model signals, and absolute charts

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Luca Global Markets, LLC

Weekly Charting Newsletter October 8, 2018



Trade Ideas

- Majors: Short EURUSD *while below* its 5-day exponential moving average
- Commodity dollars: Long AUDUSD *only when/if above* the 5-day exponential moving average
- Crosses: Short EURJPY *while below* the 5-day exponential moving average
- Asia: Long USDINR *while above* its 5-day exponential moving average
- Latam: Short USDBRL *while below* its 5-day exponential moving average
- Eastern Europe: Long USDRUR *while above* the 21-day exponential moving average
- Cryptocurrency: Short Bitcoin *when below* the 21-day exponential moving average

G10 FX Models – Daily & Weekly

| | FX | Daily Model | since | Daily Bias (> or < 21-day EMA) | Daily Risk | Weekly Model | since | Weekly Bias (> or < 21-week EMA) | Weekly Risk |
|---------|---------|-------------|--------|--------------------------------------|------------------|--------------|--------|--|------------------|
| Majors | EUR/USD | S | 8-Oct | slightly bearish | slightly bearish | S | 26-Sep | slightly bearish | slightly bearish |
| | GBP/USD | S | 8-Oct | sideways | neutral | S | 8-Oct | sideways | neutral |
| | AUD/USD | L | 8-Oct | bearish | slightly bullish | S | 26-Sep | bearish | bearish |
| | NZD/USD | S | 27-Sep | bearish | bearish | S | 26-Sep | bearish | bearish |
| | USD/JPY | S | 4-Oct | slightly bullish | slightly bearish | S | 8-Oct | bullish | slightly bearish |
| | USD/CHF | L | 24-Sep | bullish | bullish | L | 28-Sep | slightly bullish | slightly bullish |
| | USD/CAD | L | 2-Oct | slightly bullish | slightly bullish | S | 13-Sep | slightly bearish | slightly bullish |
| Crosses | EUR/JPY | S | 26-Sep | bearish | bearish | L | 13-Sep | slightly bullish | slightly bearish |
| | EUR/GBP | S | 1-Oct | bearish | bearish | S | 26-Sep | slightly bearish | slightly bearish |
| | EUR/CHF | S | 8-Oct | slightly bullish | slightly bearish | S | 8-Oct | slightly bearish | slightly bearish |
| | GBP/JPY | S | 8-Oct | slightly bullish | slightly bearish | S | 8-Oct | slightly bullish | slightly bearish |

Source: Proprietary Luca Global Markets, LLC Model

FX Models – Daily & Weekly Emerging Markets

| | FX | Daily Model | since | Daily Bias (> or < 21-day EMA) | Daily Risk | Weekly Model | since | Weekly Bias (> or < 21-week EMA) | Weekly Risk |
|-----------------------|---------|-------------|--------|--------------------------------|------------------|--------------|--------|----------------------------------|------------------|
| <i>LatAm</i> | USD/MXN | S | 5-Oct | slightly bearish | slightly bearish | L | 5-Oct | slightly bearish | slightly bullish |
| | USD/BRL | S | 1-Oct | bearish | bearish | S | 17-Sep | bearish | bearish |
| | USD/CLP | L | 2-Oct | slightly bullish | slightly bullish | L | 2-Oct | bullish | slightly bullish |
| | USD/COP | L | 1-Oct | slightly bullish | slightly bullish | L | 1-Oct | slightly bullish | slightly bullish |
| <i>Asia</i> | USD/CNH | L | 1-Oct | slightly bullish | bullish | L | 26-Sep | bullish | bullish |
| | USD/INR | L | 1-Oct | bullish | bullish | L | 30-Jul | bullish | bullish |
| | USD/TWD | L | 1-Oct | bullish | bullish | L | 1-Oct | bullish | bullish |
| | USD/KRW | L | 1-Oct | bullish | bullish | L | 1-Oct | bullish | bullish |
| | USD/MYR | L | 4-Oct | bullish | bullish | L | 17-Sep | bullish | bullish |
| | USD/SGD | L | 1-Oct | slightly bullish | bullish | L | 1-Oct | bullish | bullish |
| <i>Eastern Europe</i> | USD/RUB | L | 2-Oct | sideways | neutral | L | 3-Oct | bullish | slightly bullish |
| | USD/PLN | L | 8-Oct | bullish | slightly bullish | L | 27-Sep | bullish | bullish |
| | USD/CZK | L | 8-Oct | bullish | slightly bullish | L | 26-Sep | bullish | bullish |
| | USD/RON | L | 8-Oct | bullish | bullish | L | 26-Sep | bullish | bullish |
| | USD/HUF | L | 26-Sep | bullish | bullish | L | 26-Sep | bullish | bullish |
| | USD/TRY | S | 8-Oct | sideways | neutral | S | 8-Oct | bullish | neutral |
| <i>Crypto</i> | Bitcoin | L | 4-Oct | sideways | neutral | S | 4-Oct | bearish | slightly bearish |

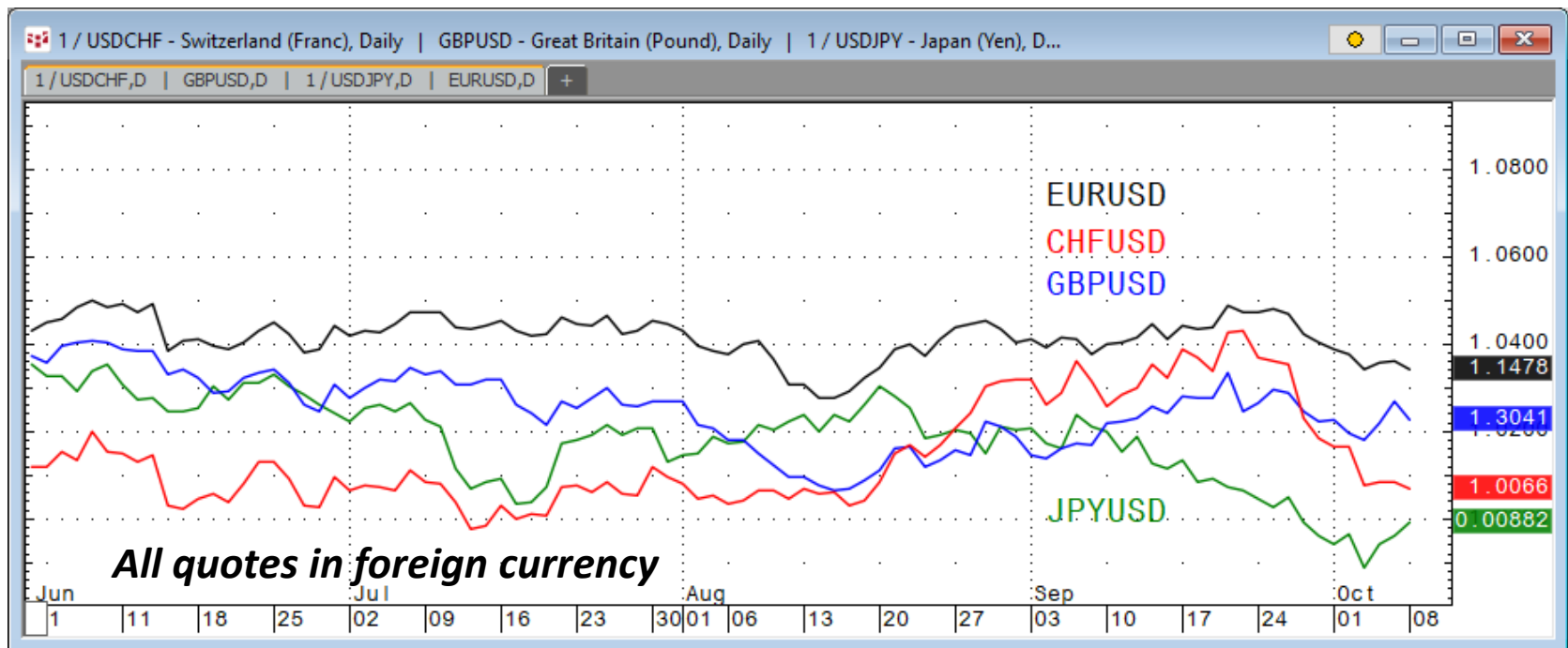
Source: Proprietary Luca Global Markets, LLC Model

FX Majors Trade Idea

Strongest: EURUSD (but falling)

Weakest: JPYUSD (but rising)

Trade idea: Short EURUSD while below its 5-day EMA



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FX Majors Trade Idea

Comment:

Short EURUSD while below its 5-day EMA

- EURUSD has been under pressure since peaking on 9/24
- Its recovery attempts were capped by the declining & divergent 5-day EMA (oversold)
- However, it will take a clear break below 1.1450 to extend the decline
- Immediate support: 1.1450
- Further support: 1.1375, 1.1300 & 1.1187
- Initial resistance: 1.1560
- Further resistance: 1.1620, 1.1695 & 1.1817
- Fast stochastics: bearish
- MACD: slightly bearish

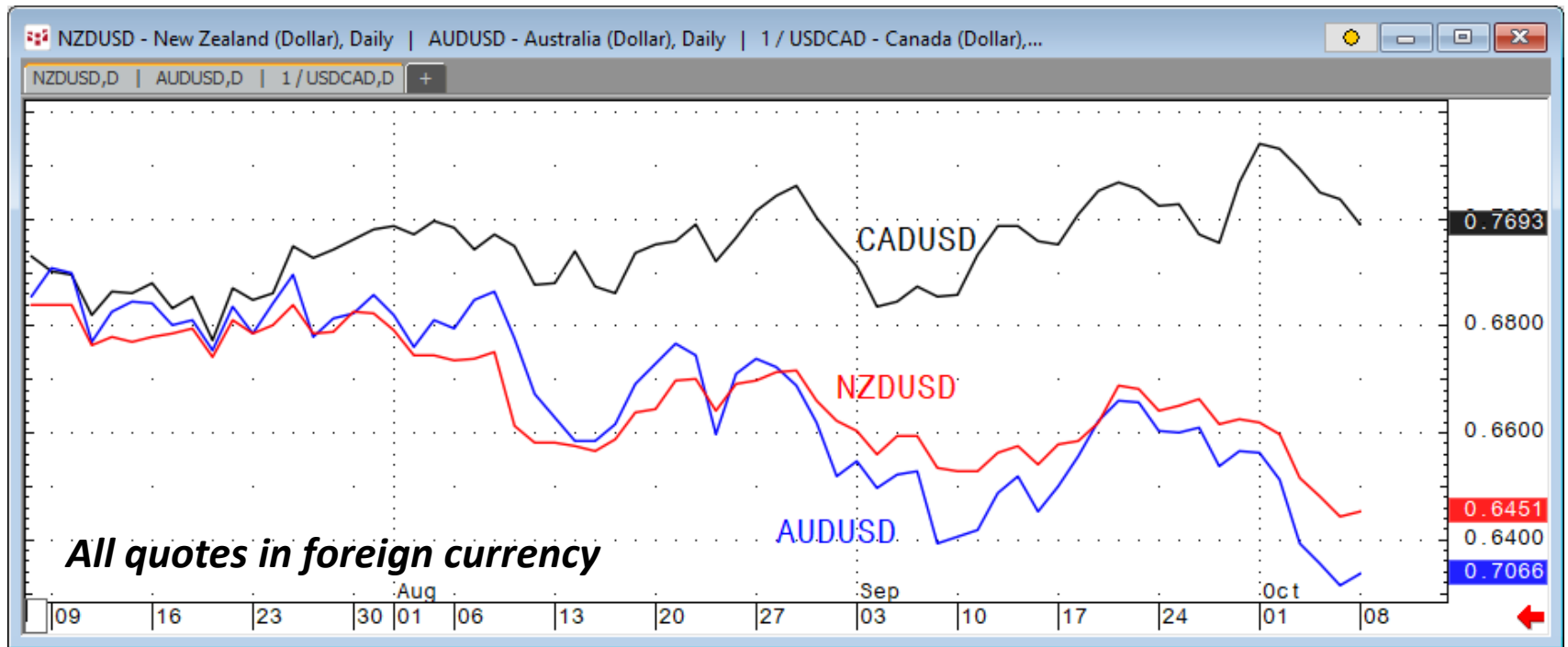


FX Commodity Dollars Trade Idea

Strongest: CADUSD (but falling)

Weakest: AUDUSD (but rising)

Trade ideas: Long AUDUSD only when/if above the 5-day EMA



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FX Commodity Dollars Trade Idea

Comment:

Long AUDUSD only when/if above the 5-day EMA

- The oversold AUDUSD is attempting to recover from a 2 2/3-year low [confirmation is needed]
- It trades below both its declining & diverging 5- & 21-day EMAs; there is significant upside room to fill
- Initial resistance: .7100
- Further resistance: .7190 & .7298
- Immediate support: .7040
- Further support: .6994, .6940 & .6895
- Fast stochastics: slightly bullish
- MACD: bearish



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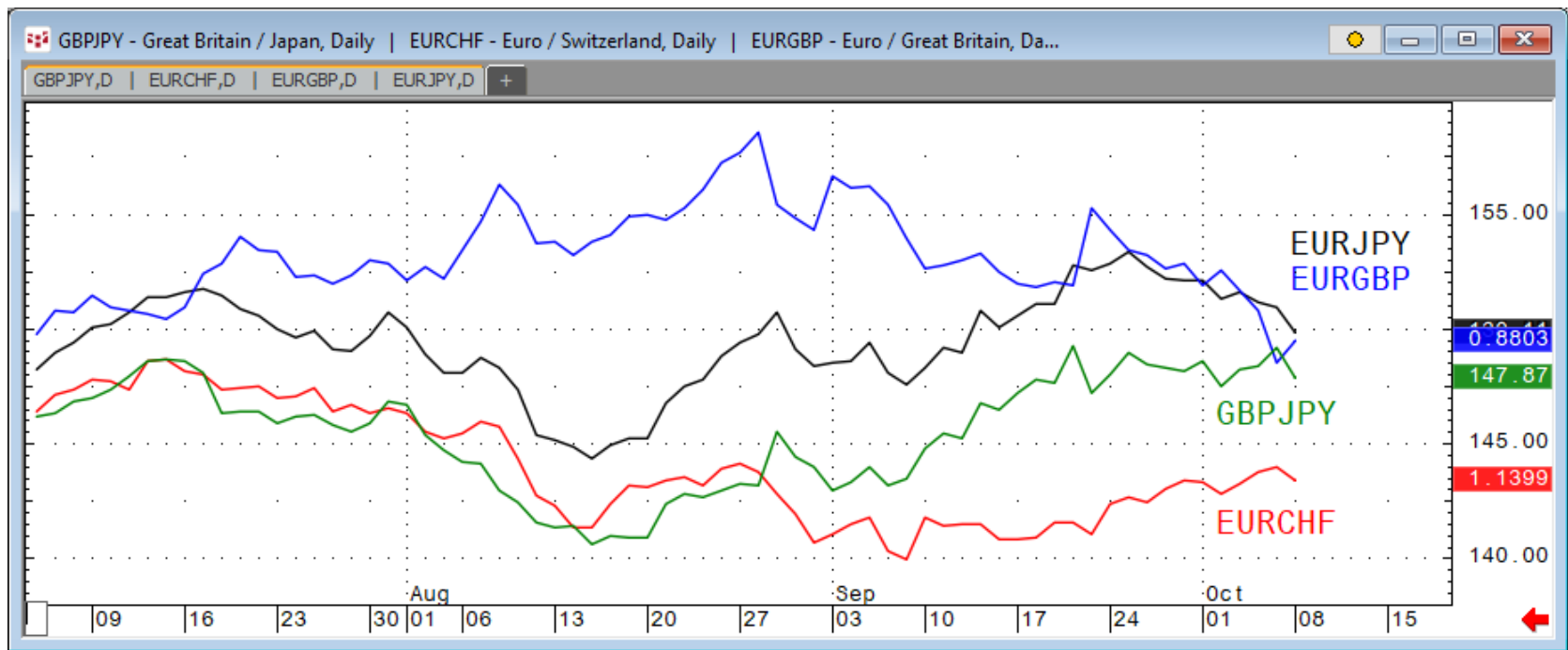
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FX Crosses Trade Idea

Strongest: EURJPY (but falling)

Weakest: EURCHF (but rising)

Trade idea: Short EURJPY while below the 5-day EMA



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FX Crosses Trade Idea

Comment:

Short EURJPY while below the 5-day EMA

- EURJPY dropped from a 5-month high and broke the support of the trendline rising since 8/15
- It also fell below its 5- & 21-day EMAs
- Immediate support: 129.54
- Further support: 127.84, 126.83 & 124.88
- Initial resistance: 131.34
- Further resistance: 132.20 & 133.15
- Fast stochastics: bearish
- MACD: slightly bearish >0



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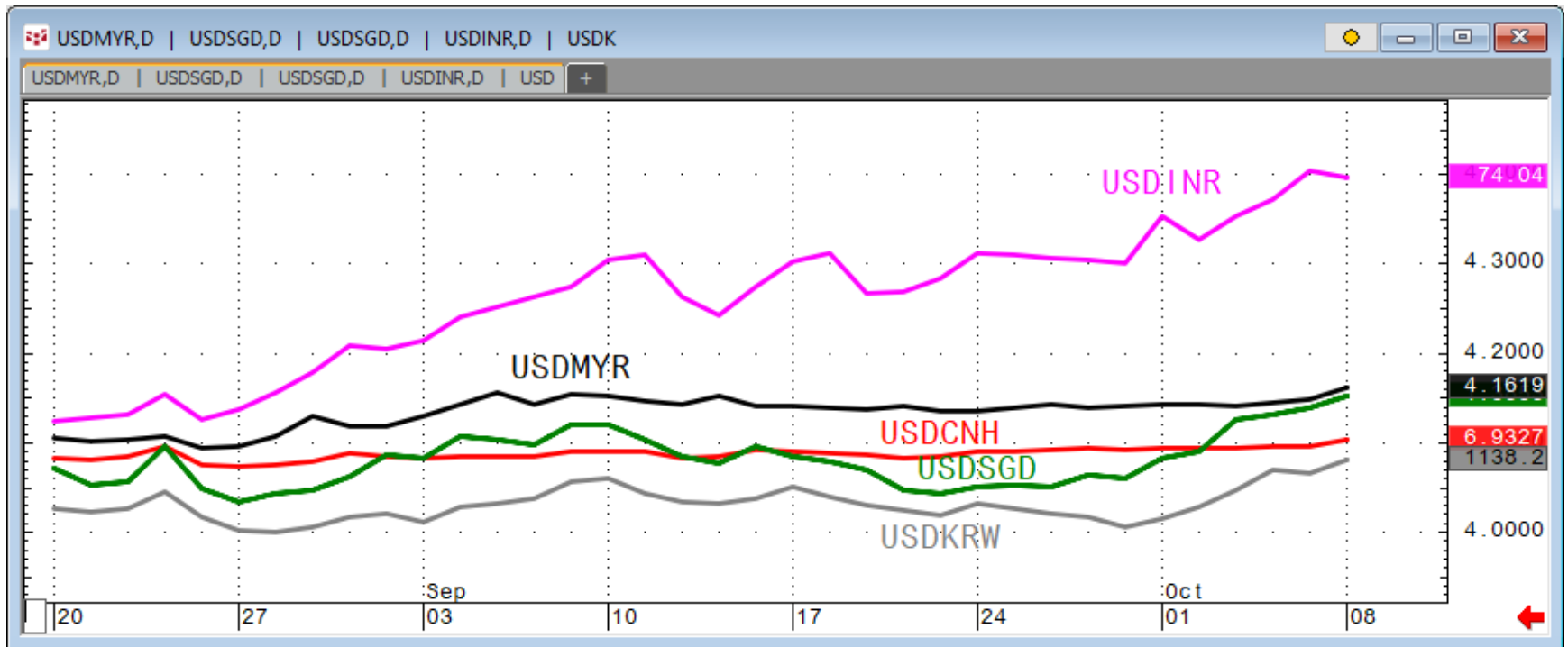
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FX Asia Trade Idea

Strongest: USDINR

Weakest: USDKRW (but rising)

Trade idea: Long USDINR while above its 5-day EMA



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FX Asia Trade Idea

Comment:

Long USDINR while above its 5-day EMA

- USDINR remains strong near record highs
 - Its 5-day EMA supports the bullish path
 - Initial resistance: 73.62
 - Further resistance: 73.90, 74.50 & 75.34
 - Immediate support: 73.40
 - Further support: 72.30, 71.75 & 70.71
-
- Fast stochastics: bullish
 - MACD: slightly bullish



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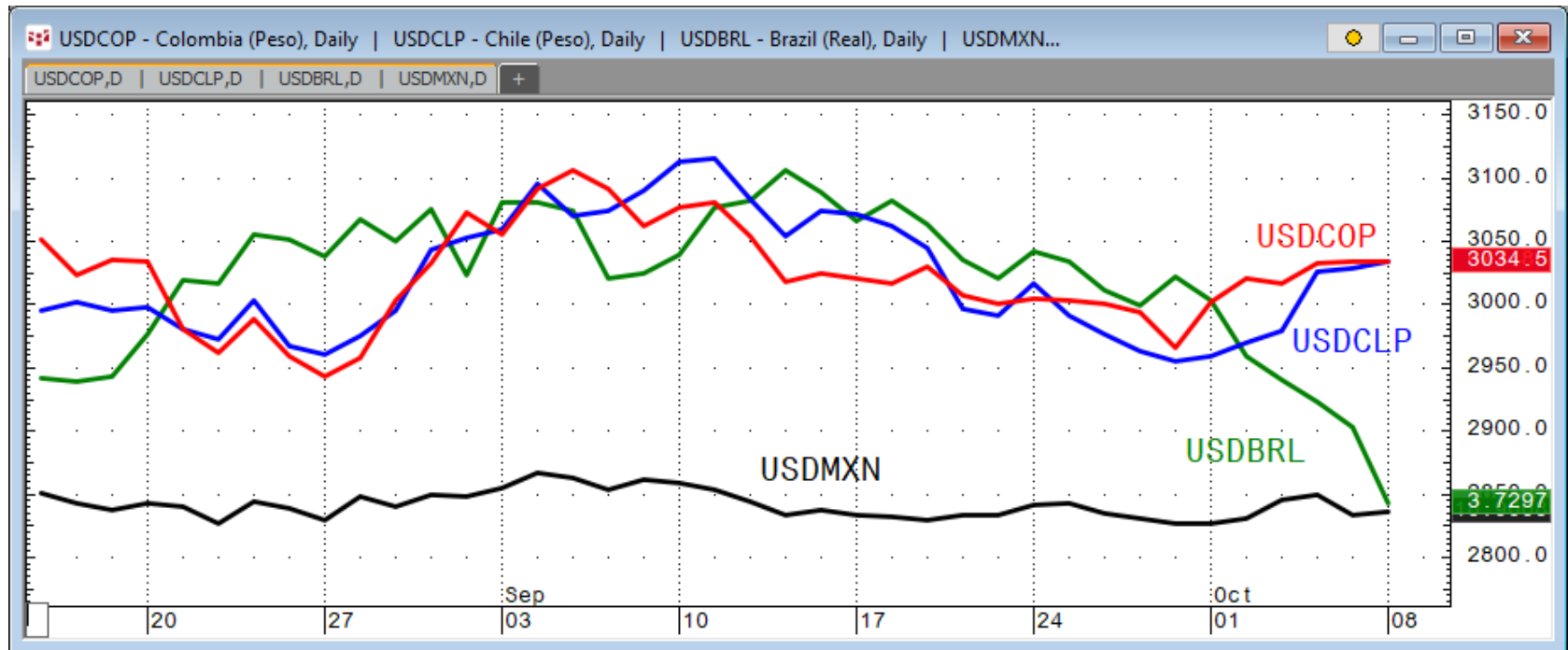
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FX Latam Trade Idea

Strongest: USDCOP & USDCLP

Weakest: USDBRL & USDMXN

Trade idea: Short USDBRL while below its 5-day EMA



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FX Latam Trade Idea

Comment:

Short USDBRL while below its 5-day EMA

- USDBRL melted following the double top
- It trades well below its declining & diverging 5- & 21-day EMAs
- USDBRL is massively oversold, but only a break above the 5-day EMA would signal a reversal
- Immediate support: 3.7095
- Further support: 3.6889, 3.6160 & 3.5395
- Initial resistance: 18.7720
- Further resistance: 19.0040, 19.0720 & 19.3810
- Fast stochastics: bearish
- MACD: bearish



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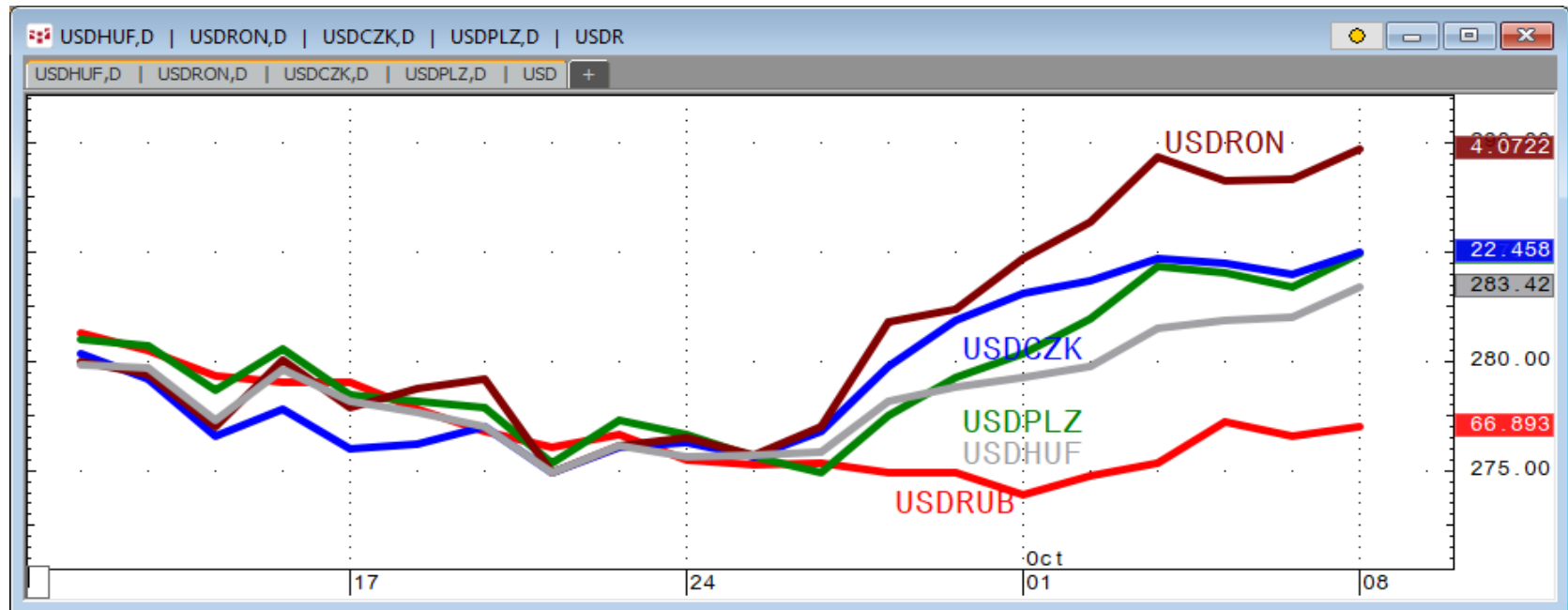
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FX Eastern Europe Trade Idea

Strongest: USDRON

Weakest: USDRUB (but rising)

Trade idea: Long USDRUR while above the 21-day EMA



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FX Eastern Europe Trade Idea

Comment:

Long USDRUR while above the 21-day EMA

- USDRUR is neutral, resting above 5- & 21-day EMAs
- It had reversed from a 2 ½ -year high to a near 2-month low before bouncing off the bottom of it rising medium-term channel
- Initial resistance: 67.069
- Further resistance: 68.446 & 70.679
- Immediate support: 66.420
- Further support: 64.854, 63.826 & 63.030

- Fast stochastics: bullish
- MACD: neutral <0



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Bitcoin Trade Idea

Comment:

Short Bitcoin when below the 21-day EMA

- Deadly quiet with meek media attempts to create interest
- Bitcoin remains in a symmetrical triangle within a massive declining triangle
- It's been making slightly higher lows since bottoming on 6/18
- It rests quietly on its 21-day EMA
- Initial resistance: 6,710
- Further resistance: 7,362, 7,800 & 8,205
- Immediate support: 6,236
- Further support: 6,003 & 5,846
- Fast stochastics: bullish (overbought)
- MACD: bearish



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How to Use the Heat Map

Bias: If the Candle > 21-period EMA = bullish
 If the Candle < 21-period EMA = bearish
 If the Candle around 21-period EMA = sideways

| Long or Short | Commodities | Since when | | Risk: Bullish or Bearish Candle as of Monday am EST | | | | | |
|---------------|--------------------|-------------|--------|---|------------------|--------------|--------|----------------------------------|------------------|
| | | Daily Model | since | Daily Bias (> or < 21-day EMA) | Daily Risk | Weekly Model | since | Weekly Bias (> or < 21-week EMA) | Weekly Risk |
| Energy | Crude (CLc1) | S | 27-Apr | bullish | slightly bullish | L | 23-Mar | slightly bearish | slightly bullish |
| | Brent (LCOc1) | L | 21-Apr | slightly bullish | slightly bullish | L | 6-Apr | slightly bearish | slightly bullish |
| | Natural gas (NGc1) | S | 23-Apr | bearish | bearish | S | 20-Apr | bearish | slightly bearish |
| | Palm oil (FCPOc1) | L | 24-Apr | sideways | neutral | S | 20-Apr | slightly bearish | slightly bearish |
| Metals | Gold (GCc1) | S | 24-Apr | bearish | bearish | S | 20-Mar | slightly bearish | slightly bearish |
| | Silver (SIc1) | S | 22-Apr | bearish | bearish | S | 24-Apr | bearish | bearish |
| | Platinum (PLc1) | S | 20-Apr | bearish | bearish | S | 20-Mar | bearish | slightly bullish |
| | Copper (HGc1) | L | 24-Apr | slightly bearish | slightly bullish | S | 24-Apr | slightly bearish | slightly bearish |
| Softs | Coffee (KCN5) | L | 24-Apr | sideways | neutral | L | 24-Apr | slightly bullish | slightly bullish |
| | Cocoa (LCCN5) | L | 23-Apr | bullish | bullish | L | 13-Apr | bullish | bullish |
| | Soy meal (SMN5) | S | 24-Apr | bearish | slightly bearish | S | 24-Apr | bearish | slightly bearish |
| | Wheat (WN5) | S | 24-Apr | bearish | slightly bearish | S | 24-Apr | bearish | bearish |
| | Corn (CN5) | S | 20-Apr | bearish | bearish | S | 6-Apr | bearish | bearish |

Source: Proprietary Luca Global Markets, LLC Model

L = long
 S = short