



Trading strategy:

Our trading strategy is simple and nothing complicated. I will outline this in the form of steps.

Step 1 – News & economic data.

We believe for you to open a new trade for the start of the week or any other day during the week you'll have to know what the current state of the market is and what influenced moves in the market. You'll first look at the fundamentals e.g. news & economic data and try and find what influenced the price moves or you'd also want to find out what happened to commodity prices (some commodities influence other currency strength).

Step 2 – Short term & Long-term trend.

In step 2 we would identify the long-term trend. How we going to trade this long-term trend and how our short-term trend can influence the way we trade the current market. E.g. You could be in a long-term trend but experience short term pull backs. We do this by looking at our daily chart and discover the trend (long term trend). We look at our 4hr chart and discover what the trend is (medium/long term). We lastly look at our 1hr chart (short term trend) to see the current price movement. If all trends are the same and don't oppose each other we have a good reason to trade it, but we don't trade it yet.

Step 3 – Moving averages.

we have a 20 ma, 50 ema and 200ema. If the 20 ema is below the 50 ema it's a downtrend, if the 20 ema is above the 50 ema it's an uptrend. We also look if price is above or below our 200 ema because our 200 ema acts as a support and resistance level, it also validates long term changes.

Step 4 – Placing order

The last thing we look at is where we can find the most suitable place to place our order and how much risk to reward we can achieve from this. In downtrends, we'll normally look for higher lows and place our sell. We'll then place our SL at an area above our previous higher low, then place our Fibonacci tool on our impulse leg to get a perfect TP area. This TP area will & shall only be Considered Valid if price tested the area before. If we have an uptrend we would do the same by buying at our higher lows and placing our SL at a previous higher low Area. We'll then find our impulse leg and use our Fibonacci tool

to find a possible TP area. This TP area will & shall only be Considered Valid if price tested the area before.

Practical scenario as per below, thorough analysis

AUD/CAD

Hourly chart = short term downtrend

4-hour chart = long term /medium term downtrend

Daily chart = validated uptrend with short term downside movement (200 ema acting as support)

Possible outcome = continuation of downside movement to levels of - 0.998683(Pending)

Possible outcome = continuation of downside movement to levels of - 0.998683(Pending)



I remain bearish on this pair and expect to remain bearish right through the week. In some respects, this is understandable. Reserve Bank of Australia Governor Philip Lowe often wonders aloud about Australians' heavy borrowing habit. For example back in late February he made it unusually clear for a central banker that, even if he were minded to cut the Official Cash Rate from its 1.50% record low, the "sobering" level of Australians' personal debt might stay his hand. He doesn't want to encourage those already borrowed up to the hilt to take on any more debt.

In the logic of this position, it makes sense for traders to sell the Aussie when there are signs that the Australian-in-the-street is lightening up on credit. After all, Australian inflation is well below the RBA's 2-3% target and has been since the end of 2014. This argues for interest rate cuts and, if debt is what's stopping the RBA, then less debt means more cuts and a lower Aussie dollar.

- The Reserve Bank of Australia has often worried about Australians' personal debt levels
- Specifically, it has fretted that cutting rates might make borrowers load up on even more loans
- But heavy debts also argue against rate rises

Bearish harmonic pattern



Daily chart - Uptrend with breakout to the downside



hourly chart - Validated short term downtrend



4 hour chart - Validated long term downtrend



Technical analysis - Sell to levels of 0.998683



- **PLEASE NOTE**
- Canadian Dollar Forecast: Poor Jobs Data + Weak Oil = Further Slippage

Friday's news that Canadian employment rose by a mere 3,200 in April, well below both expectations of a 10,000 increase and the previous month's 19,400 advance, was deeply disappointing.

Compiled by AEEIC Group

Chief Executive Officer

Madiba Malebo

A handwritten signature in black ink, appearing to read "H. M. Malebo". The signature is written in a cursive style with a horizontal line underneath the name.