

## CABLE & EURGBP Cross Reaction on UK Elections

A fundamentally driven market for CABLE has again regained its lead with its' currency peers, as an isolated case since it has been fueled by the vote of confidence from the exit polls in the UK general elections where the conservative party would hold its power well against the labour party, which have lost some seats in the minority. This led to its party leader Ed Miliband's resignation after the labour party's defeat in the general elections.

Having walked into this trading scenario where Sterling Pound has reached another registered high @1.5520 clearly signifies the positive sentiments among voters and investors alike. With that said, the continuing sentiments would provide some pressure for the USD to move against its Cable counter-part at the moment. This is in spite of the better jobs data on the NFP that should have lifted the USD by now; yet it has been in a struggle to lift the prices to this writing. Watching market behavior by the market's price action is relevant towards the next probable direction along side with the positive effects of the recent job figures influenced the Stock market back to its nearby highs @18190.85 compared to its previous high registered @18288.63 levels.

### Price Action & Tech Perspective

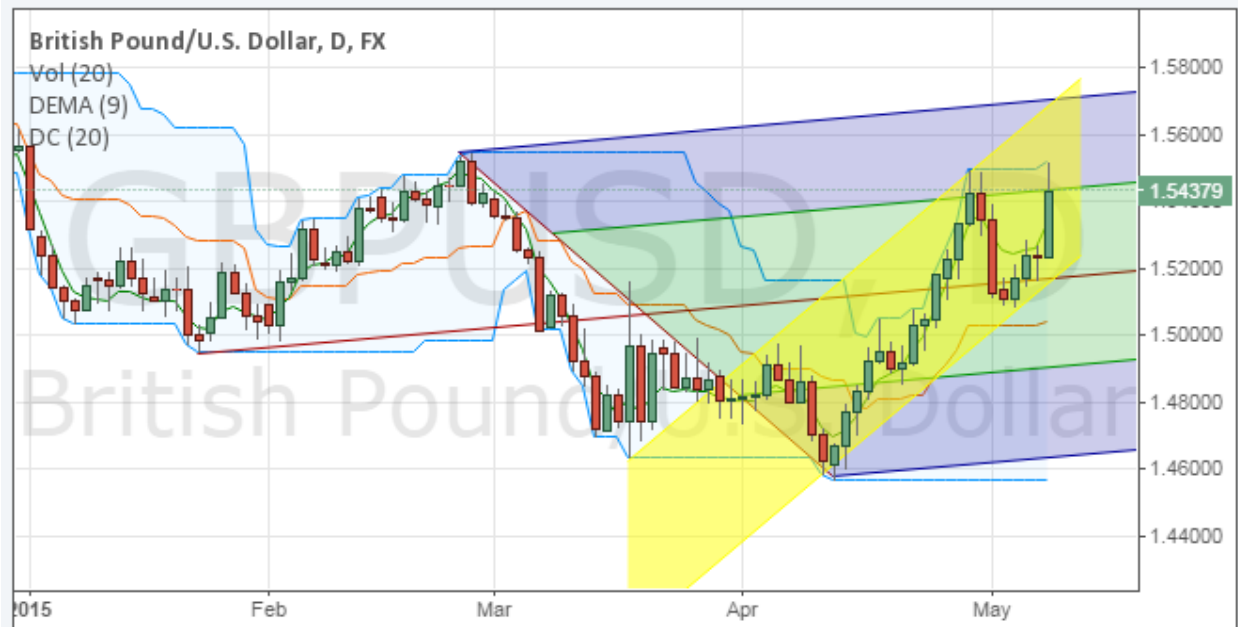
With that said, the moves on Cable have gained back what was previously lost from the 1.5497 down to 1.5088 and is now @1.5490 to this writing. A trade whipsaw where a volatile market exist between bulls and bears struggling to take dominance of position after the report on the exit polls were made public. Not to make things too complicated though, the overall price and trading range of Cable and its diagonal trend line direction (coded in yellow) after making a new high is interpreted to be a trend following market where investors' interest is motivated by bullish driven market players well positioned to continue the rally. Of course without discounting, the probability of daily session pullbacks from market disruptions causing a wider price swing before the actual candle-bar formation is made and the channel defined is well within the trading range as clearly shown in the chart figure 1 - that prices are within the Andrew's Pitchfork trend levels. Knowing the type of tech tool to apply and the right combination to go with it is a vital part of technical analysis. There is no one size fits all application for that matter.

Meanwhile, the EURGBP Cross Rate shows an earlier signal of another bearish Gartley pattern that have triggered a sell-off due to the rally from the Sterling Pound caused by a fundamental catalyst from the UK election. Although, its main purpose is to absorb a possible adverse price effects against Cable would occur until such time uncertainty have been cleared when the true market direction would show itself after the fact or when prices have revealed its true colors in the market charts such as the figure chart 2.

The significant price level resistance – middle range – lower band price range indicator shows where the current levels of the decline are well within a (green shaded- color- long positioning) range contrary to where it came from @0.7514 – 0.7332 (red shaded-color- short positioning). Currently, at the middle range levels @0.7280, the closing of this week's USD along with the rest of the currency pairs are important to note as the current market behavior is in the **'Process of a Re-Alignment Cycle'** especially with the Federal Reserve may well be on track with interest rate hikes.

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**FX:GBPUSD** 1.54379 ▲ +0.01974 (+1.3%) **O:**1.52405 **H:**1.55215 **L:**1.52405 **C:**1.54379



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**FX:EURGBP** 0.72817 ▼ -0.01050 (-1.42%) **O:**0.73867 **H:**0.73867 **L:**0.72243 **C:**0.72817

