

Moving forward

Posted on **November 24, 2018, 3:38 am** by **Rambus**

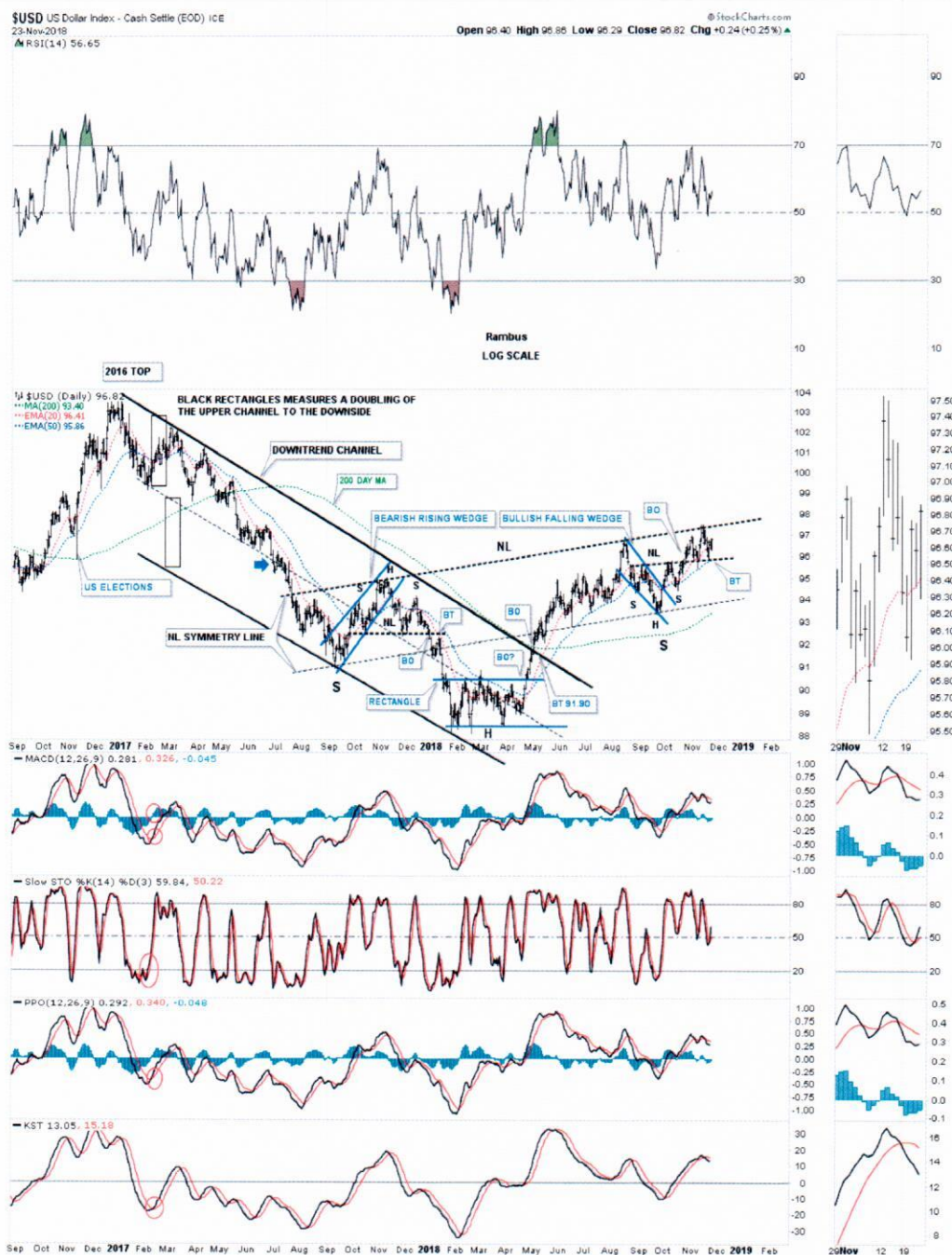
USD US Dollar Index - Cash Settle (EOD) ICE
 23-Nov-2018
 Open 96.40 High 96.86 Low 96.29 Close 96.82 Chg +0.24 (+0.25%) ▲

14 USD (Daily) 96.82
 --MA(200) 93.40

5 PT BEARISH FALLING WEDGE?
 200 day ma
 NL SYMMETRY LINE
 RECTANGLE REVERSAL
 US ELECTIONS

MACD(12,26,9) 0.281, 0.326, -0.045
 PMO(35,20,10) 0.43, 0.45
 KST 13.05, 15.19

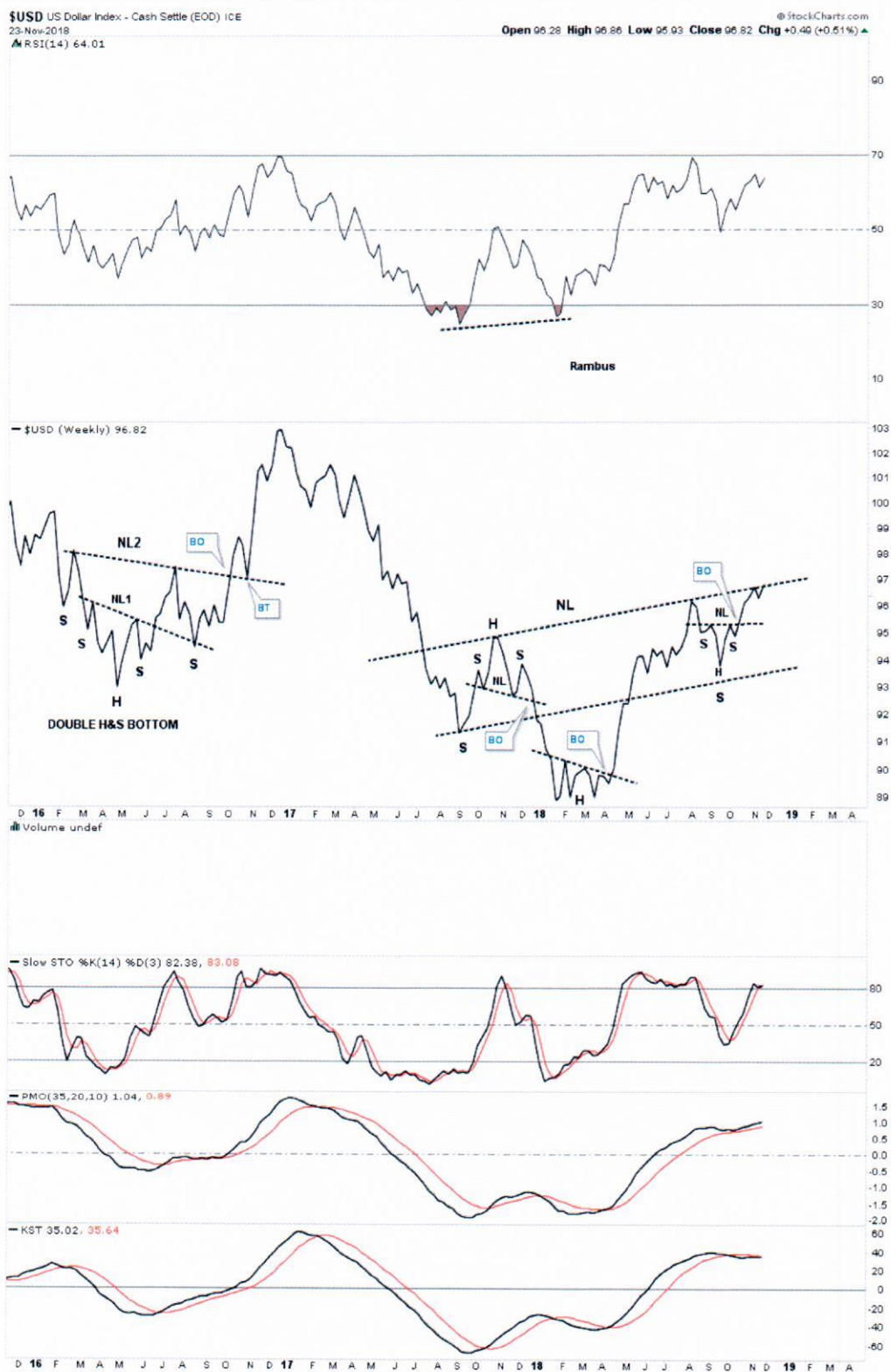
This next chart shows the 2017 downtrend channel with the left shoulder and head forming inside the downtrend channel. This chart also shows you a good example of how a downtrend channel can double in size. The black rectangle are exactly the same height and measures each half of the downtrend channel. The blue arrow shows where the lower channel began to form. At the time the new lower channel became established we had no idea that it would show us where the bottom of the left shoulder would be or where the beginning of the 5 point rectangle would start to buildout. This is a very symmetrical chart.



Below is just a simple daily line chart for a slightly cleaner look.



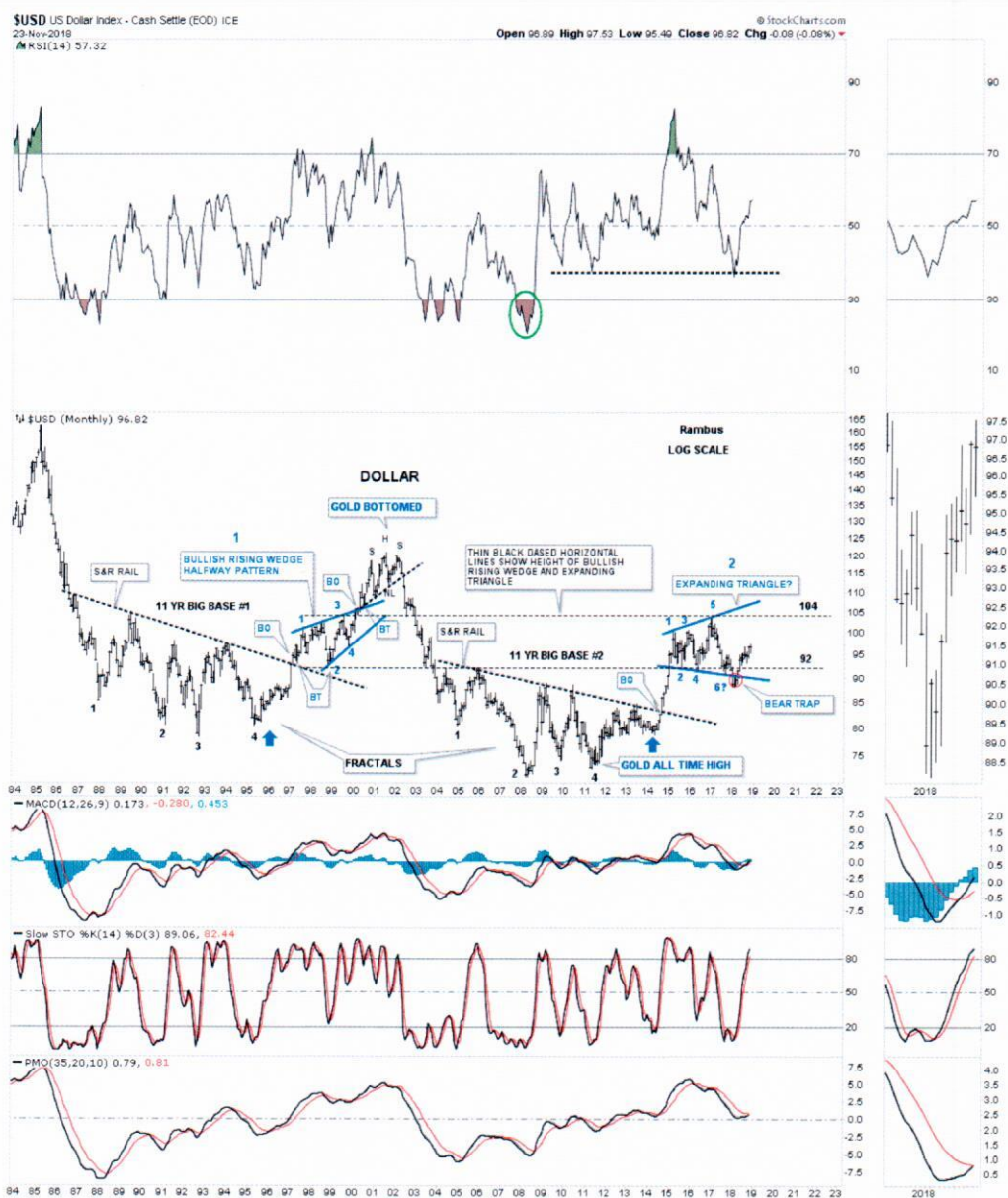
This weekly line chart shows an even clearer picture of our current H&S bottom along with the 2016 double H&S bottom.



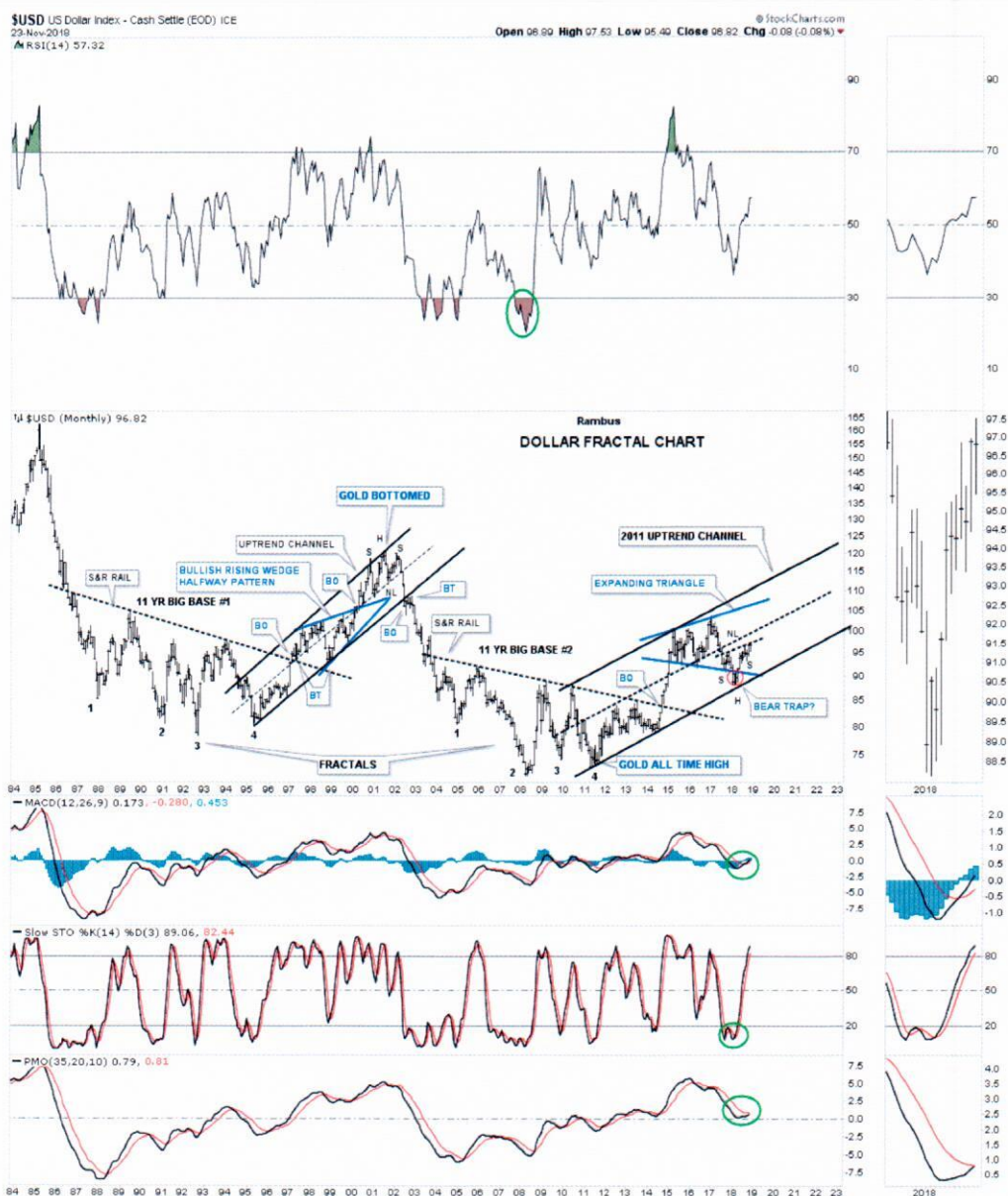
There was an eleven year base which led to the huge impulse move starting in the middle of 2014. This monthly candlestick chart shows you that when the US dollar is in a strong impulse move up it will form a string of white candlesticks all in a row and a string of black candlesticks all in a row to the downside. It would be nice to see a white candlestick form when this month of November ends next week.



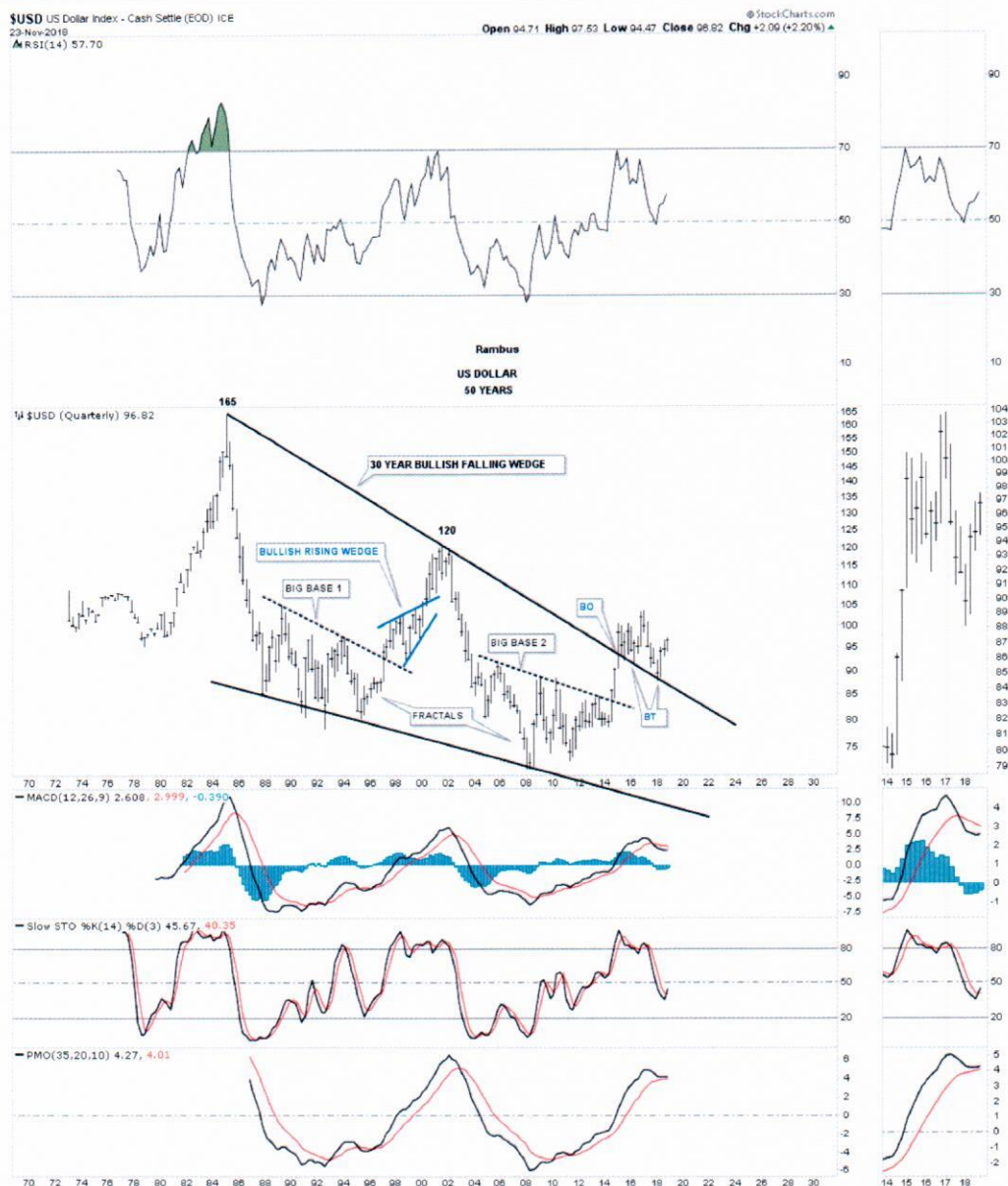
This 35 year chart for the US dollar shows some nice symmetry with the two, eleven year fractal bases.



This same fractal chart below shows the 2011 uptrend channel with our potential H&S bottom forming on the bottom rail which is a good place to see this type of pattern building out.

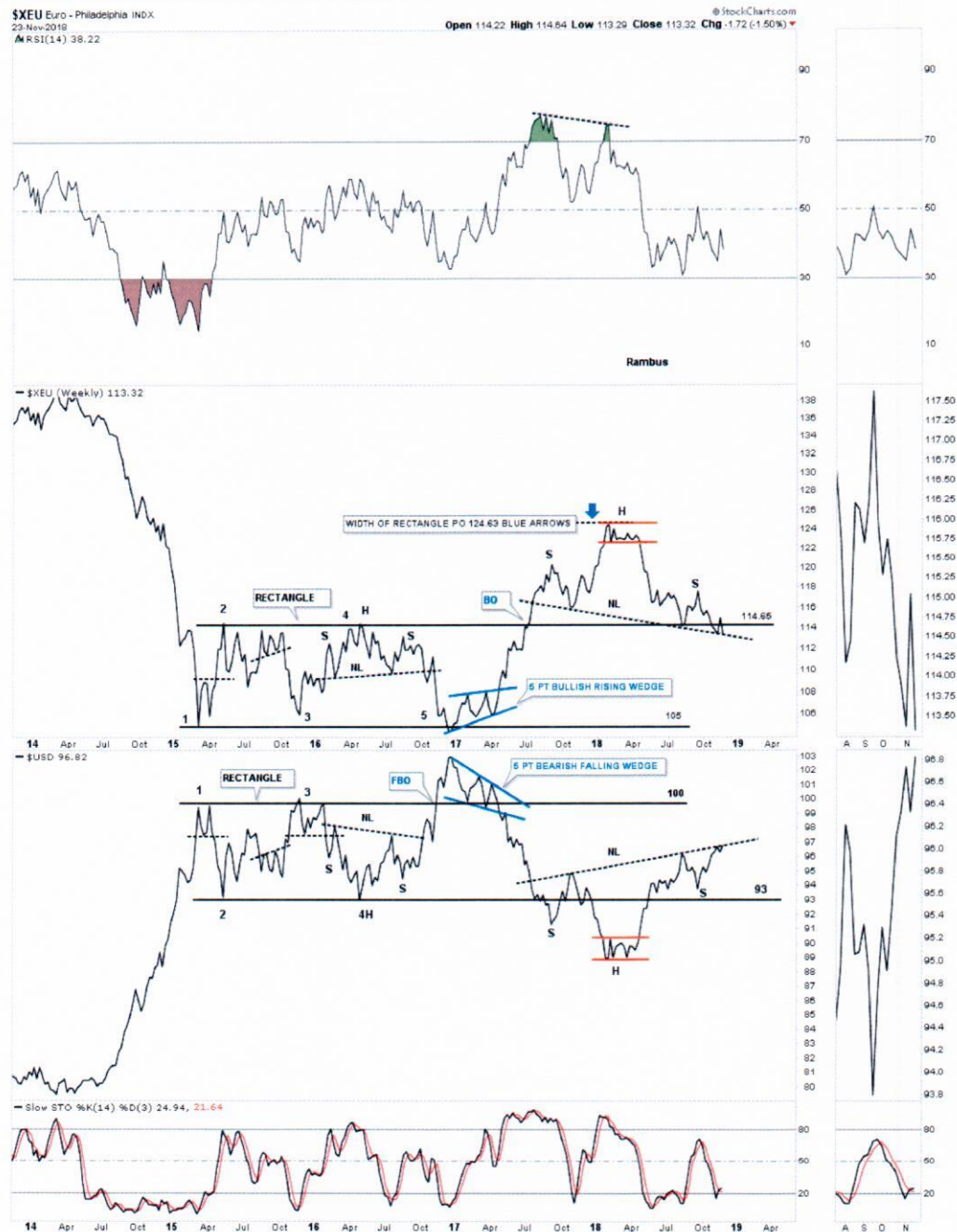


Below is a 50 year quarterly chart which shows the massive 30 year falling wedge with the big base #1 and big base #2 forming the bottom rail. The breakout above the top rail of the 30 year falling wedge occurred in January of 2015 almost four years ago. Note how clean the multiple backtests to the top rail have been. The last backtest to the top rail happened in January of this year. If the US dollar can takeout the January 2017 high around the 104 area that will create a higher high which will help confirm the uptrend is still in place.



As it is getting pretty late I would like to leave you with one more chart which is a combo chart that has the XEU on top and the US dollar on the bottom. You can see the inverse correlation is pretty good. Note the strong impulse move both had on the left hand side of the chart leading into the consolidation zone. They each formed an inverse H&S pattern in 2016 and each created a blue five point wedge reversal pattern. Currently both are testing their 18 month neckline. The million dollar question remains, what is going to happen to everything related to the US dollar if it completes the 18 month H&S bottom? Then we have the 30 year falling wedge that is still valid until the top rail fails to hold support. Interesting times ahead to say the least. All the best...

Rambus



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