

EUR/USD Analysis (2016.03.16) The EUR/USD pair fell initially during the course of the session on Tuesday, but found enough support just above the 1.1050 level to turn things around and form a hammer. This is an area that I have been saying should be supportive, and it now looks like it's going to be. However, keep in mind that today we get the FOMC Meeting Minutes, and that of course can have a drastic effect on the US dollar in general. However, it looks as if the market is already starting to hint as to where it's going to go. If we can break above the top of the hammer from the session on Tuesday, and looks as if the market will probably try to grind back to the 1.13 level. There are a lot of different reasons the think that this could happen, but quite frankly it is a very technically driven market at the moment, and with that we believe that the Euro should continue to go higher. On a break above the top the hammer, it shows that the buyers have returned, and we should go towards the 1.13 level given enough time. If we can break above there, I feel that the market should then go to the 1.15 handle, which is the top of the larger consolidation area. On the other hand, if we break down below the 1.1050 level, the market will probably try to grind its way down to about the 1.09 level, and even possibly the 1.08 handle. That level should be massively supportive though, and at that point time I would think that the buyers should continue to jump into the market. The one thing that you can probably count on is that there will be quite a bit of volatility. That seems to be the norm in this pair anymore, and I believe that the market will continue to attract high-frequency

traders, which of course is reason enough to continue that particular type of trading. On top of that, the 2 central banks involved in this pair are both looking very dovish. **EUR/USD Chart**



Source: FXEMPIRE