

CHART OF THE DAY

March 19, 2019

Spotlight on : U.S. Dollar

This report is an update to our report of January 7, 2019. First, here is a repeat of that report. The chart as of January 4 is provided after the two COMMENTS.

COMMENT: Since the first of November, the U.S. Dollar has put in a Triple Top and has declined 1.82%. A falling U.S. Dollar is positive for commodities and commodity-related equities as well as certain ETFs. Further, if the USA and China can achieve a break-through this week on resolving their trade dispute, this could put even more downside pressure on the U.S. Dollar.

COMMENT: Here is the chart of the U.S. Dollar, courtesy of Stock Charts.com. We have added a Resistance line created by the Triple Top. A Support line has been drawn in at \$95.50, critically close to where the Dollar closed on Friday, January 4. As I write this on Monday morning, the Dollar is trading at \$95.33. My rule-of-thumb is that a technical indicator is confirmed only by a move of 3%. On the downside, this is equal to \$92.64 and we have drawn a third line on the chart to mark this level. However, the next level of Support below \$95.50 is the 200-day Moving Average (the red line), which currently sits at \$94.32. So, the 3% confirmation guideline may not be reached in the near-term.



Here is the same chart updated to March 18 (yesterday's close). The same three chart lines are drawn on this chart as well. A rising trend-line (**Green**) has also been included.



As shown on the two charts, the value of the USD now is almost the same as it was in early January, closing yesterday at \$95.98. Clearly, the USD is having trouble rising above the \$97.50 mark.

The chart shows that the 50-day M.A. was not able to hold at \$96.08.

Let us see if the former \$95.50 Support Line (**Rust**) can hold as this is now where the all-important 200-day Moving Average (**Red**) currently rests. Coincidentally, the up-trend line (**Green**) from mid-September intersected perfectly with two rising points in January and also currently sits at \$95.50.

COMMENT: *\$95.50 seems to be a critical support point for the USD.*

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