



NZDUSD Going South?

[Bearish structure](#) on all timeframes, will NZDUSD form a lower low?

New Zealand's Prime Minister, Jacinda Ardern, is still in self-isolation as New Zealand recorded more than 100 new cases of COVID-19 infection. This indicates that the [pandemic situation](#) is still quite massive in New Zealand and maybe a negative sentiment for the [NZD currency](#). On the other hand, yesterday's poor [American ADP data](#) provided a 'hit' for the USD in the short term as well. However, the US government under the leadership of Joe Biden and Powell as Fed Chair seems to still maintain a hawkish tone in maintaining the [United States economy](#).

Quick Recap on [NZD/USD](#)

NZDUSD appears bearish on the higher timeframe and also in the lower timeframe. Even on the daily TF, the pair has retested and closed bearish as confirmation.

Let's dive in a little deeper to see how EURNZD fare on multiple timeframes:

NZD/USD Monthly Technical Analysis

On the monthly timeframe, NZDUSD looks bearish, indicated by price movements below the 50, 100, and 200 MA lines. Even last January's candle closed strongly bearish below the 50 MA, indicating that the bearish sentiment is getting stronger for this pair.

NZD/USD Weekly Technical Analysis

On a weekly basis, NZDUSD also shows a very strong bearish structure. Supported by the confirmation of the existence of the [moving average](#) which is still above the price, last week's weekly candle was also able to break through the support that was formed since the end of November 2021.

NZD/USD Daily Technical Analysis

On the daily timeframe, NZDUSD is seen ready to continue its downward trend. Yesterday's candle that closed bearish is a confirmation that this pair is very likely to go back down. Even today's candle which is still running has passed the lowest level of yesterday's candle.

Trading idea for NZD/USD

On H1, the NZDUSD pair gave additional confirmation in the form of a [QM pattern](#) that was formed where the price formed a lower low after posting a higher high; indicating that the price has completed a retest and is ready to fall further.

Order: Sell Limit

Entry: 0.66470

Stop Loss: 0.66700

Target 1: 0.66150 (50% + BE)

Target 2: 0.65690 (25%)

Target 3: 0.65350 (25%)

Risk total: Max 1-2% Equity ([Medium Risk Setup](#))

Reason: Bearish structure, QM pattern, and daily candle as confirmation

The NFP which will be released in the [New York session](#) tomorrow may be a good catalyst to move NZDUSD with a large volume. Technically, it has been explained previously that the pair is very likely to retest to its support around 0.65350, supported by fundamental factors in the form of Omicron in New Zealand which is still rampant and the US government's attitude is still hawkish allowing NZDUSD to decline in Q1 2022.