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## BLAST OFF OF THE CABLE TO \$1.60, LONG –EXPECTED

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Daily GBP=



After years of political vitriol and turmoil, the cable bolstered to a nine-months high reaching on 31<sup>st</sup> December 2020 at **\$1.3703** when the United Kingdom clinched a last-minute Brexit trade deal agreement, printing rules for fishing and agriculture.

The frenzied gyrations of the Brexit crisis dominated European affairs for the last five years, with Sterling sinking to **\$1.1450** 2016 low, haunted the sterling markets and tarnished the United Kingdom’s reputation as a confident pillar of Western economic and political stability.

The cable now wrestles idiosyncratically with Covid-19 vaccine optimism and Brexit divorce treaty hope on the front foot, vis-à-vis speculation of Bank of England rate cut, third lockdown conundrums and an escalating economic malaise.

GBP/USD could lure in dichotomous ways after the United Kingdom ended de facto membership to the European Union last Thursday. Recent price action raises the scope for a larger bullish bias to **\$1.60** as the pair emanates a fifth wave extension as per Elliott Wave lexicon.

Bulls have far remained very responsive since March 2020. If the pair remains above Wave (4) at \$1.3187, impulse Wave (5) formation above support at **\$1.3703** could be anticipated with little fanfare, with target neighbouring zone **\$1.4590** to **\$1.5456**.

Failure to propel above support at **\$1.2672** of 23<sup>rd</sup> September 2020 low will catalyse a jolting collapse and invalidate the technical analysis count. The trendline stemming from March 2020 on the daily chart would likely come into play as support on a move lower.



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