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European Forex Technicals: EUR Correcting Higher

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LONDON (Dow Jones)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0446 GMT	1.2844	85.26	1.5676	1.0404
3 Day Trend	Bearish	Bearish	Bullish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	1.3250	90.41	1.5427	1.0750
3rd Resistance	1.2943	85.97	1.5775	1.0503
2nd Resistance	1.2906	85.85	1.5726	1.0465
1st Resistance	1.2872	85.45	1.5701	1.0445
Pivot*	1.2811	85.59	1.5633	1.0426
1st Support	1.2805	85.11	1.5638	1.0350
2nd Support	1.2734	84.94	1.5575	1.0332
3rd Support	1.2682	84.72	1.5535	1.0288

Intraday EUR/USD: Stages a corrective recovery off Monday's low at 1.2734 as near-term bulls look to regain a foothold above 1.2800, and is threatening to test resistance at Monday's 1.2872 high. A break above there would confirm a higher low at 1.2805, creating room for further corrective gains towards 1.2906, and wave equality at 1.2943. Failure to keep 1.2805 intact would bring the focus back onto the 1.2734 low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Weakness originating off last Friday's high at 86.39 has extended into Tuesday's session following the probe below 85.21. While 85.45 caps the upside, scope exists for further weakness towards support at 85.11, threatening to extend the move towards the Aug. 11 15-year low at 84.72. A sustained break above 85.45 is required to provide respite, but upside scope looks limited to the 85.85 area.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Monday's good recovery off a bear trap low at 1.5535 has provided a platform from which to put pressure on key resistance at 1.5726. Monday's high at 1.5701 lies just in front, and 1.5726 represents 50% retracement of the 1.5909/1.5535 downwave, and a 1.618 extension target. A fresh wave of bull pressure is required to force a break above 1.5726, opening 1.5775. Failure to hold onto support at 1.5638 would prompt a return to the 1.5575 area, which protects the 1.5535 low.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Monday's sharp setback extends the bear wave off the Aug. 12 peak at 1.0630, and support at 1.0350 is likely to come under renewed pressure. 1.0350 is the last line of defence protecting the Aug. 6 reaction low at 1.0332, and the failure to keep these lows intact would prompt a downside extension towards 1.0288. Corrective gains should be limited to the 1.0445/1.0465 area, although only above 1.0503 would concern bears.

Weekly chart USD/CHF trend: Range.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0518 GMT	0.8191	109.62	1.3383	0.9013
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8588	119.85	1.4220	0.8800
3rd Resistance	0.8275	111.75	1.3460	0.9133
2nd Resistance	0.8236	111.12	1.3449	0.9082
1st Resistance	0.8226	110.28	1.3400	0.9040
Pivot*	0.8197	109.64	1.3351	0.8945
1st Support	0.8176	109.07	1.3337	0.8994
2nd Support	0.8150	108.73	1.3299	0.8947
3rd Support	0.8086	107.75	1.3272	0.8892

Intraday EUR/GBP: Monday's inside day consolidates the dominant bear tone, but pressure is building on last Friday's 0.8176 low. A break below there would extend the bear wave off the Aug. 10 bear flag high at 0.8362, creating scope for 0.8150 and the wave equality target at 0.8086. This lies just above the June 29 reaction low at 0.8067. Only above 0.8236 would question the bearish outlook, which is protected by 0.8226.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Stages a corrective recovery off Tuesday's marginal low at 109.07, in an attempt to retest resistance at 110.28. However, last week's collapse through 112.50 defines the dominant tone, and last Friday's lower high at 111.12 provides an upside limit to this recovery. A break below 109.45 would bring the focus quickly back to the 109.07, and bears need to force a break below there in order to regain control, exposing 108.73 and the 107.75 area.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Recovers well off Monday's low at 1.3272 to challenge 1.3400, but corrective gains look limited to the 1.3449 lower high/1.3460 former range lows. The dominant bear tone from last week is likely to cap gains in this area before looking to renew pressure on the 1.3299 higher low. Only above 1.3460 would create scope for further gains towards last Friday's 1.3540 high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Builds on the recovery off Monday's low at 0.8860 to probe above 0.9000, and solid resistance at 0.9040 is the immediate target. A 1.618 extension target also lies in this area, and a fresh wave of bull pressure is required to leave a solid platform from which to challenge 0.9133 and the 0.9165 lower high. Below 0.8994 would prompt consolidation towards Tuesday's session low at 0.8947.

Weekly chart AUD/USD trend: Bearish.

* The pivot is the sum of the high, low and close divided by 3.

Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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