

2010-08-18_European Forex Technicals

European Forex Technicals: GBP To Suffer More Weakness

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0443 GMT	1.2846	85.44	1.5553	1.0431
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	1.3247	90.36	1.5428	1.0747
3rd Resistance	1.2950	85.97	1.5701	1.0503
2nd Resistance	1.2917	85.69	1.5644	1.0475
1st Resistance	1.2902	85.61	1.5584	1.0450
Pivot*	1.2869	85.44	1.5611	1.0415
1st Support	1.2835	85.34	1.5535	1.0412
2nd Support	1.2805	85.11	1.5470	1.0350
3rd Support	1.2734	84.72	1.5445	1.0332

Intraday EUR/USD: Bear pressure is building on support at 1.2835, having met resistance at 1.2917 Tuesday. Failure to keep 1.2835 intact would prompt further weakness towards the 1.2805 higher low, and at the same time leave 1.2917 as a likely bull failure. Below 1.2805 would confirm a bull failure, and bring the focus back onto Monday's 1.2734 recovery low. Only a break above 1.2902 would re-open the 1.2917 high, threatening gains to 1.2950.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Resistance has emerged at 85.69 to cap the recovery off Tuesday's low at 85.11, and support at 85.34 is likely to come under fresh pressure. The main threat is for more weakness to test the 85.11 low, and bring the focus back onto the August 11 15-year low at 84.72. Only a break above 85.69 would negate the bearish outlook; opening 85.97.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Monday's low at 1.5535 is back under bear pressure following the sharp reversal off 1.5701, and a break into fresh three-week lows below 1.5535 is looking increasingly likely. The 1.618 extension target at 1.5445 would be the main objective, and back-up support lies at 1.5430. Keeping 1.5535 intact would prompt a return to the 1.5701 range high, as part of lateral consolidation.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: The recovery off Monday's low at 1.0350 grinds higher towards resistance at 1.0450 and 1.0475, but upside scope is likely to be limited. A break below 1.0412 would bring the focus back onto the 1.0350 low, and threaten a retest of the August 6 reaction low at 1.0332. Only a sustained break above 1.0475 would put bulls in control of the near-term, opening 1.0503.

Weekly chart USD/CHF trend: Range.

2010-08-18_European Forex Technicals

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0512 GMT	0.8254	109.76	1.3402	0.9024
3 Day Trend	Bullish	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8585	119.75	1.4212	0.8803
3rd Resistance	0.8362	110.45	1.3506	0.9165
2nd Resistance	0.8321	110.33	1.3459	0.9133
1st Resistance	0.8283	110.08	1.3445	0.9079
Pivot*	0.8244	109.90	1.3400	0.9029
1st Support	0.8225	109.60	1.3382	0.8994
2nd Support	0.8200	109.40	1.3350	0.8950
3rd Support	0.8176	109.07	1.3299	0.8892

Intraday EUR/GBP: Tuesday's strength has been parried by resistance at 0.8283, but this level is likely to face a retest Wednesday. A clean break above there would leave the August 13 low at 0.8176 as a near-term bear failure, and prompt further gains to the August 10 bear flag high at 0.8362. There is scope for downside consolidation towards 0.8225, but only below there would question the near-term bullish outlook.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Resistance emerged at 110.45 to cap the recovery off Tuesday's marginal low at 109.07, and the support level at 109.60 is under pressure. However, Tuesday's bullish outside day suggests 109.60 has a good chance of holding, and bulls will look to test near-term pivotal resistance at 110.08. A break above there is required to re-open the 110.33 and the 110.45 high. Failure to keep 109.60 intact would question the positive outlook and leave the 109.07 low vulnerable.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Undergoes a setback off Tuesday's high at 1.3459 to cap the recovery off Monday's low at 1.3272, and the 1.3350 support area is expected to be tested. However, bulls will be keen to keep this level intact in order to protect 1.3272, and provide a platform from which to retest the 1.3459 high. Only a sustained break below 1.3350 would put bears in control of the near-term, exposing 1.3299 and 1.3272.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Bulls are looking to find a foothold above 0.9000 in order to put Tuesday's high at 0.9079 back under pressure. The recovery off Monday's low at 0.8860 suggests a near-term base is being formed, and a break above 0.9079 would further lift the tone and open the 0.9165 lower high. Key support lies in the 0.8950 area, and only a sustained break below there would leave the 0.8860 low vulnerable.

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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