

European Forex Technicals: JPY Under Bear Pressure

By Francis Bray

A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0512 GMT	1.2788	85.75	1.5556	1.0452
3 Day Trend	Bearish	Bullish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	1.3243	90.31	1.5430	1.0744
3rd Resistance	1.2856	86.15	1.5701	1.0503
2nd Resistance	1.2826	85.97	1.5687	1.0475
1st Resistance	1.2816	85.81	1.5622	1.0465
Pivot*	1.2867	85.45	1.5594	1.0421
1st Support	1.2781	85.57	1.5533	1.0419
2nd Support	1.2758	85.45	1.5500	1.0400
3rd Support	1.2734	85.34	1.5445	1.0385

Intraday EUR/USD: Bear pressure is building on support at 1.2781, having left a bull failure high at 1.2923 Wednesday. The 1.618 extension target at 1.2758 is the immediate objective, but Monday's low at 1.2734 is looking vulnerable too. A break below there would extend the decline off the August 6 reaction high at 1.3334 towards 1.2682, but scope for 1.2605 cannot be ruled out on concerted weakness. Regaining ground above 1.2826 is required to question the immediate bear threat, opening 1.2856.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Thursday's strength probes above 85.69 to build on the recovery off Tuesday's low at 85.11, and is tackling a short-term bear trendline at 85.81. A break above there would open the 85.97 lower high, which lies in front of the 1.618 extension target at 86.15. Weakness should be contained above 85.45, and only below there would question recovery hopes.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Pushes below 1.5575 to bring the focus back to Wednesday's low at 1.5500. The short-term downtrend off the August 6 reaction high at 1.5998 is still intact, and a break below 1.5500 would prompt further weakness towards the 1.618 extension target at 1.5445. Backup support lies at 1.5430. A break above 1.5622 is required to question the bearish outlook and re-open Wednesday's high at 1.5687.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Probes into fresh near-term highs above 1.0453, but is struggling to overcome resistance at 1.0465. The recovery off Monday's low at 1.0350 looks corrective in nature as it takes the shape of a bear wedge, and a break below 1.419 is required to bring the focus back onto Wednesday's low at 1.0385. A fresh wave of bull pressure is needed to negate the bearish outlook, opening 1.0475 and 1.0503.

Weekly chart USD/CHF trend: Range.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0534 GMT	0.8224	109.80	1.3362	0.8966
3 Day Trend	Bullish	Bullish	Bearish	Range
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8581	119.65	1.4204	0.8805
3rd Resistance	0.8321	110.45	1.3436	0.9049
2nd Resistance	0.8281	110.13	1.3403	0.9021
1st Resistance	0.8255	109.89	1.3374	0.9011
Pivot*	0.8248	109.92	1.3401	0.9005
1st Support	0.8216	109.60	1.3335	0.8945
2nd Support	0.8200	109.30	1.3299	0.8900
3rd Support	0.8176	109.07	1.3272	0.8860

Intraday EUR/GBP: Resistance at 0.8281 held to keep the downtrend off the July 19 reaction high at 0.8531 intact, and the loss of 0.8223 creates scope for the 0.8200 area. However, a break below there is required to bring the August 13 low at 0.8176 back into the picture. Regaining ground above 0.8255 would question the bear threat, opening 0.8281.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Stages a recovery off 109.30 Thursday to protect Tuesday's bullish outside day low at 109.07, and pressure is building on resistance at 109.89. A break above there would leave 109.30 as a near-term bear failure and open the 110.13 lower high, and a retest of the 110.45 high is looking increasingly likely. Only below 109.30 would question the bullish outlook and expose the 109.07 low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Extends the setback off Tuesday's high at 1.3459 following the probe below 1.3358, and the wave equality target at 1.3335 is expected to be met. There is risk for a deeper setback as the August 16 low at 1.3272 looms into view, protected by the 1.3299 higher low. Regaining ground above 1.3403 is required to lift the tone and re-open the 1.3436 lower high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: The setback off Tuesday's high at 0.9079 has extended Thursday as support at 0.8945 is under threat. However, a break below there is required to expose the 1.618 extension target at 0.8900. A break above 0.9011 is required to negate the bearish outlook, opening 0.9021 and the 0.9049 lower high.

Weekly chart AUD/USD trend: Bearish.

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

For more technical analysis see: Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word

search "INSI-DJN"