

2010-09-06_European Forex Technicals

European Forex Technicals: USD Set To Weaken Further

06 Sep 2010, 08:27

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A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0450 GMT	1.2897	84.34	1.5467	1.0149
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bearish	Bearish
200 day ma	1.3185	89.67	1.5435	1.0688
3rd Resistance	1.2989	85.23	1.5575	1.0239
2nd Resistance	1.2936	85.00	1.5515	1.0220
1st Resistance	1.2923	84.67	1.5492	1.0185
Pivot*	1.2867	84.57	1.5439	1.0175
1st Support	1.2871	84.05	1.5395	1.0135
2nd Support	1.2814	83.66	1.5352	1.0097
3rd Support	1.2776	83.58	1.5329	1.0089

Intraday EUR/USD: The short-term uptrend is extending towards the Aug. 18 lower high at 1.2923. The 1.618 extension target lies just above there at 1.2936, and concerted strength would create room for 1.2989. Failure to keep the higher low at 1.2871 intact would question the bullish outlook, although only below 1.2814 would concern bulls.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Bears still retain a stranglehold following Friday's sharp setback off 85.23, and the main threat is for renewed pressure on support at 84.05. A break below there would bring the focus back onto the 83.66 low, and the Aug. 24 15-year low at 83.58. Resistance at 84.67 needs to be cleanly broken in order to lift the tone, re-opening the 85.00 area on a break.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: A bull divergence on the daily slow stochastic supports the current attack on resistance at 1.5492, and further gains are threatened towards the wave equality target at 1.5515. However, a clean break above there is required to further lift the tone, creating scope for the 1.5575/97 lower highs. A push below 1.5355 would put bears in control of the near-term, prompting weakness to 1.5352 and the Aug. 31 reaction low at 1.5329.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Solid resistance emerged at 1.0239 Friday to keep the dominant bear trend intact, and pressure is building on support at 1.0135. A break below there is expected test the 1.0097 higher low, and the downwave equality target at 1.0089 which protects last week's nine-month low at 1.0065. Only a break above 1.0185 would question the bearish outlook and threaten a return to the 1.0239 high.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0512 GMT	0.8334	108.76	1.3079	0.9164
3 Day Trend	Bullish	Bullish	Bullish	Bullish
Weekly Trend	Bullish	Range	Range	Bullish
200 day ma	0.8541	118.30	1.4073	0.8822
3rd Resistance	0.8395	110.45	1.3191	0.9280
2nd Resistance	0.8362	109.56	1.3164	0.9221
1st Resistance	0.8349	109.23	1.3116	0.9175
Pivot*	0.8329	108.76	1.3082	0.9105
1st Support	0.8310	108.25	1.3060	0.9146
2nd Support	0.8300	107.92	1.3040	0.9115
3rd Support	0.8279	107.45	1.3000	0.9056

Intraday EUR/GBP: The short-term uptrend is close to setting fresh three-week highs as resistance at 0.8349 remains under threat. The Aug. 10 lower high at 0.8362 lies close above there, and a fresh wave of bull pressure is required to force a break above 0.8362 towards 0.8395. Only a break below 0.8300 would undermine the bullish outlook, threatening downside consolidation towards 0.8279 and 0.8250.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Key resistance at 109.56 is likely to face renewed pressure Monday after the euro managed to hold onto Friday's gains. A break above 109.56 at the third time of asking would keep the positive structure of the short-term recovery intact, and prompt further gains towards 110.45. Failure to keep support at 108.25 intact would question the bullish outlook and prompt weakness down to the 107.45 higher low.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Suffers a setback off Friday's high at 1.3164, and is putting pressure on support at 1.3060. The immediate target is testing the more significant 1.3040 support area, and only a sustained break below there would give near-term bears the impetus to expose the 1.3000 level. Regaining ground above 1.3116 would negate the bearish outlook and re-open the 1.3164 high, creating scope for 1.3250 in the process.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: Resistance at 0.9175 is likely to be broken as the near-term uptrend remains firmly intact. The Aug. 6 reaction high at 0.9221 is the immediate focus, and scope for the 1.618 extension target at 0.9280 cannot be ruled out on concerted strength. Support lies at 0.9115, to protect the Sep. 2 low at 0.9056.

Weekly chart AUD/USD trend: Bullish.

* 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"

September 06, 2010 02:27 ET (06:27 GMT)