

European Forex Technicals: More Gains For EUR/USD To 1.3510

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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 0511 GMT | 1.3394 | 84.63 | 1.5653 | 0.9875 |
| 3 Day Trend | Bullish | Bearish | Bullish | Bearish |
| Weekly Trend | Bullish | Bearish | Bullish | Bearish |
| 200 day ma | 1.3158 | 89.04 | 1.5446 | 1.0611 |
| 3rd Resistance | 1.3510 | 85.66 | 1.5835 | 1.0029 |
| 2nd Resistance | 1.3489 | 85.47 | 1.5729 | 0.9983 |
| 1st Resistance | 1.3441 | 85.00 | 1.5715 | 0.9935 |
| Pivot* | 1.3365 | 84.65 | 1.5662 | 0.9894 |
| 1st Support | 1.3353 | 84.25 | 1.5605 | 0.9838 |
| 2nd Support | 1.3310 | 84.05 | 1.5570 | 0.9625 |
| 3rd Support | 1.3265 | 83.60 | 1.5505 | 0.9572 |

Intraday EUR/USD: Pushes strongly higher, into fresh five-month highs as 1.3510 becomes the immediate target. The 1.3510 level represents the 50% retracement of the 1.5145/1.1876 downtrend, but scope exists for the 1.3700 level in the coming sessions. Support at 1.3265 will look to limit corrective weakness, which is protected by 1.3310.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Deepens the setback off solid resistance at 86.00 to challenge support at 84.25. Bears will look to keep short-term pivotal resistance at 85.00 intact to prompt a fresh attack on 84.25, and force another downwave towards 83.60. Only a sustained break above 85.00 would lift the tone, opening 85.47 and the 85.66 lower high.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Extends the short-term recovery off Tuesday's low at 1.5505, to tackle key resistance at the Sept. 17 high at 1.5729. To gain control of the near-term, bulls need to force a break above 1.5729 and create room for further gains towards 1.5835. While 1.5729 caps, there is consolidation risk back to the 1.5505 area.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: The relentless bear trend extends to levels last seen in March 2008, decisively breaking 1.0000 and leaving the 0.9572 reaction low vulnerable. Nearest support at 0.9838 is expected to be broken, making room for further weakness towards the 1.618 Fibonacci extension target at 0.9625, shy of the 0.9572 objective. Corrective gains should be limited to the 0.9935 projected resistance area.

Weekly chart USD/CHF trend: Bearish.

| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0532 GMT | 0.8557 | 113.37 | 1.3229 | 0.9568 |
| 3 Day Trend | Bullish | Bullish | Range | Bullish |
| Weekly Trend | Bullish | Bullish | Range | Bullish |
| 200 day ma | 0.8518 | 117.24 | 1.3946 | 0.8887 |
| 3rd Resistance | 0.8650 | 114.25 | 1.3325 | 0.9675 |
| 2nd Resistance | 0.8612 | 113.95 | 1.3272 | 0.9600 |
| 1st Resistance | 0.8576 | 113.53 | 1.3250 | 0.9572 |
| Pivot* | 0.8532 | 113.11 | 1.3225 | 0.9557 |
| 1st Support | 0.8540 | 113.14 | 1.3205 | 0.9510 |
| 2nd Support | 0.8491 | 112.50 | 1.3181 | 0.9482 |
| 3rd Support | 0.8462 | 111.90 | 1.3150 | 0.9425 |

Intraday EUR/GBP: The uptrend strongly extends to an effective four-month high at 0.8576, and bulls are targeting the 1.618 Fibonacci extension target at 0.8612. The 50% retracement of the 0.9148/0.8067 downwave also lies in the 0.8612 area, strengthening the case for a likely near-term peak. Only a break below Wednesday's low at 0.8462 would concern bulls, which is protected by 0.8491.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Bulls maintain control of the near term to set their sights on the 113.95 lower high, after breaking through 113.00 Wednesday. The power behind the move suggests there is scope for gains towards 114.25 and the July 28 lower reaction high at 114.74 on a concerted push higher. Only a break below 112.50 would question the bullish outlook, exposing 111.90.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Remains trapped within a pennant consolidation pattern on the 60-minute chart between 1.3181 and 1.3272, and the upper boundary line around 1.3250 is being threatened. A break above 1.3250 would open Wednesday's high at 1.3272, and threaten further strength to the 1.3325 area. Failing to hold onto support at 1.3205 would prompt a return to 1.3181, although downside scope looks limited to the 1.3115 area.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: Extends the solid uptrend to a fresh 14-month high at 0.9600, and bulls have the wave equality target at 0.9675 firmly in their sights. The 0.9675 target is a projection off the Aug. 25 reaction low at 0.8770, but the July 2008 reaction high at 0.9847 is achievable in the coming sessions. A break below 0.9510 would prompt downside consolidation towards 0.9482, but with technical scope for 0.9425.

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"

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