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European Forex Technicals: GBP Gathering Some Strength

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A DOW JONES NEWSWIRE COLUMN

London (TRADING Central)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0501 GMT	1.3330	85.18	1.5674	0.9861
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3159	89.00	1.5449	1.0604
3rd Resistance	1.3441	87.00	1.5835	0.9965
2nd Resistance	1.3415	85.94	1.5772	0.9901
1st Resistance	1.3356	85.50	1.5741	0.9883
Pivot*	1.3345	84.44	1.5678	0.9854
1st Support	1.3286	84.51	1.5615	0.9833
2nd Support	1.3160	84.26	1.5585	0.9805
3rd Support	1.3100	83.60	1.5505	0.9745

Intraday EUR/USD: Bulls will look to extend the recovery off Thursday's low at 1.3286 by forcing a break above resistance at 1.3356. The 1.3286 level would become a near-term bear failure on a break above 1.3356, creating room for further gains to the 1.3415 lower high, and leaving Wednesday's peak at 1.3441 vulnerable. Only a break below 1.3286 would put bears in control of the near-term, exposing 1.3160 and 1.3100.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Resistance at 85.50 is being challenged following the corrective recovery off Thursday's 84.26 low. Forcing a break above 85.50 would open the recent 85.94 highs, threatening to form a bull wave extension towards 87.00. A push below 84.51 is required to bring the dominant bear trend back into the picture, exposing 84.26.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Bulls still remain in control of the near-term, and the main threat is for renewed bull pressure on Thursday's high at 1.5741. A break above 1.5741 would extend the rally off Tuesday's reaction low at 1.5505, prompting further gains towards the 1.5835 area. Only a break below 1.5615 would question the positive outlook and expose 1.5505.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Stages a tentative recovery off 0.9805 Thursday, but is struggling to break through resistance at 0.9883. Even so, a break above 0.9901 is required to lift the tone and open the 0.9965 area. Failure to hold 0.9833 would bring the focus back onto the 0.9805 low, threatening fresh 30-month lows towards 0.9745 and 0.9625.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0527 GMT	0.8510	113.31	1.3135	0.9499
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bullish	Bullish	Range	Bullish
200 day ma	0.8517	117.19	1.3938	0.8893
3rd Resistance	0.8576	114.74	1.3248	0.9573
2nd Resistance	0.8550	114.25	1.3190	0.9548
1st Resistance	0.8519	113.95	1.3171	0.9520
Pivot*	0.8508	112.65	1.3156	0.9510
1st Support	0.8472	112.77	1.3100	0.9450
2nd Support	0.8438	112.18	1.3060	0.9425
3rd Support	0.8390	111.90	1.2995	0.9400

Intraday EUR/GBP: The recovery off 0.8472 is sluggish, and likely to be capped beneath 0.8550. The main threat is for renewed bear pressure on Thursday's 0.8472 low, and a break below 0.8472 would expose 0.8438 and the short-term pivotal support level at 0.8390. Only regaining ground above 0.8550 would bring the focus back onto the week's high at 0.8576.

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. The power behind the rally off 111.47 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 112.77 would question the bullish outlook, exposing Thursday's low at 112.18.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Bear pressure is increasing on the 1.3100 level following Thursday's sharp downwave, and a break below 1.3100 is expected. As Wednesday's high at 1.3272 has already been confirmed as a lower high, there is room for more weakness towards the bear wave equality target at 1.2995. Regaining ground above 1.3171 is required to provide temporary respite, but only above 1.3248 would negate the bearish outlook.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: Support in the 0.9450 area is facing intense scrutiny following the corrective setback off Wednesday's peak at 0.9600. Another test of 0.9450 would increase the likelihood of a break, exposing 0.9400 and potential for the Sept. 16 higher low at 0.9330. Regaining ground above 0.9520 would provide a lift and open 0.9548, although a sustained break above the latter is required to suggest a return to the 0.9600 peak is on the cards.

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 Newsires, N/DJTA; Bloomberg, N/DJTA; and Reuters key word search "INSI-DJN"

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