

2010-05-04_European Forex Technicals

European Forex Technicals: EUR/USD To Retest 1.3114 Low

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A DOW JONES NEWSWIRE COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0444 GMT	1.3202	94.86	1.5264	1.0851
3 Day Trend	Bearish	Bullish	Range	Bullish
Weekly Trend	Bearish	Bullish	Range	Bullish
200 day ma	1.3944	92.15	1.5768	1.0607
3rd Resistance	1.3365	95.75	1.5429	1.0949
2nd Resistance	1.3310	95.58	1.5391	1.0925
1st Resistance	1.3253	94.99	1.5308	1.0890
Pivot*	1.3238	94.28	1.5257	1.0826
1st Support	1.3154	94.44	1.5214	1.0811
2nd Support	1.3114	93.84	1.5128	1.0785
3rd Support	1.3050	93.51	1.4964	1.0732

Intraday EUR/USD: Monday's wide-ranging down-day engulfs last Friday's range to leave a significant peak at 1.3365, and the 1.3154 low is vulnerable to renewed bear pressure. A break through there would expose last week's recovery low at 1.3114, and carry the threat for fresh 2010 lows towards the significant support cluster straddling the 1.3000 level. Regaining ground above the 1.3253 intraday lower high is required to provide respite, and re-open 1.3310.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Extends the dominant bull trend into fresh 2010 highs above 94.78, and momentum is building for a sharp upward move towards 97.10. Monday's bullish outside day provides the impetus for fresh strength towards minor projected resistance at 95.75, and a break through there would open the wider 97.10 upside target. Only a sustained break below 94.44 would prompt a corrective setback towards 93.84.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Monday's action extended the setback off last Friday's 1.5391 peak, and the 1.5214 is set for renewed bear pressure. Below there would leave the key 28 April low at 1.5128 vulnerable, which is the last line of defence for the 1.618 downside extension target at 1.4964. Regaining ground above 1.5308 would provide a near-term boost and re-open the 1.5391 high.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: Monday's strong recovery off 1.0732 engulfs the previous two down-days, and Monday's high at 1.0890 is likely to come under renewed bull pressure. A break through there would open the 2010 high at 1.0925, set last week, and carry a threat for fresh 9-month highs towards 1.0949/56. Corrective dips will attract support while above 1.0775.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0512 GMT	0.8654	125.25	1.4326	0.9240
3 Day Trend	Range	Bullish	Bearish	Bearish
Weekly Trend	Bearish	Range	Bearish	Bullish
200 day ma	0.8858	128.44	1.4775	0.8854
3rd Resistance	0.8733	126.30	1.4367	0.9337
2nd Resistance	0.8723	125.97	1.4355	0.9325
1st Resistance	0.8696	125.46	1.4343	0.9275
Pivot*	0.8670	124.71	1.4331	0.9252
1st Support	0.8641	124.60	1.4323	0.9202
2nd Support	0.8623	124.36	1.4305	0.9170
3rd Support	0.8603	123.99	1.4291	0.9158

Intraday EUR/GBP: Direction for the near-term has become quite volatile between key support at 0.8603 and last week's high at 0.8733. Monday's weakness suggests Friday's bullish outside day low at 0.8623 is set for a retest, and a break below there would expose the 0.8603 support area once again. Regaining ground above the intraday lower high at 0.8696 is required to re-open the range high at 0.8733.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Consolidates beneath last Friday's high at 125.97 to retrace the advance off the April 27 low at 122.37, but Monday's recovery off 123.99 suggests the 125.97 high is set for a retest. Upside projections from a completed bull provide scope for gains to the 26 April lower high at 126.30 and the 1.618 target at 126.61. Only a break below the bull pennant lows at 124.60 and 124.36 would question the positive outlook, re-exposing the 123.99 low.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Maintains the gradual, but persistent downward drift as the April 28 low at 1.4323 comes under bear pressure. With the bull failure high at 1.4367, scope exists for sharper weakness towards the April 21 reaction low at 1.4291, which protects 1.4259. Only regaining ground above 1.4355 would question the bearish outlook and suggest a return to the 1.4367 high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Extends the setback off last Friday's defining bearish engulfing candle high 0.9325 following the break below 0.9220, and further weakness is threatened towards the 0.9170 target. Below there would expose the 0.9158 higher low and the key April 27 reaction low at 0.9136. Regaining ground above 0.9275 is required to lift the tone and re-open the 0.9325 high.

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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