

2010-05-12\_European Forex Technicals

European Forex Technicals: No Respite For Belaguered EUR

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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 0536 GMT	1.2630	92.64	1.4902	1.1122
3 Day Trend	Bearish	Range	Range	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3875	92.18	1.5719	1.0636
3rd Resistance	1.2803	93.54	1.5052	1.1245
2nd Resistance	1.2750	93.15	1.5000	1.1188
1st Resistance	1.2665	92.94	1.4958	1.1155
Pivot*	1.2707	92.75	1.4879	1.1080
1st Support	1.2586	92.21	1.4862	1.1102
2nd Support	1.2510	91.64	1.4800	1.1069
3rd Support	1.2457	90.83	1.4723	1.1036

Intraday EUR/USD: Extends the sharp reversal off Monday's high at 1.3095, and while the 1.2750 lower high remains intact, renewed bear pressure is likely to head for the 2010 low at 1.2510, set on May 6. Due to the inability to stage any meaningful rally since setting the 1.3095 high, the dominant threat is for a break below 1.2510 to test the 2009 low at 1.2457. Regaining ground above 1.2750 is required to provide a near-term boost, opening 1.2803.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Tuesday's inside day leaves resistance at Monday's high at 93.54 intact, and bear pressure looks to be building on Tuesday's 92.21 low. A break below there would leave 93.54 as a near-term bull failure, and bring the focus onto the 90.83 higher low, set on May 7. Only regaining ground above 93.15 would lift the tone and suggest a return to the 93.54 high.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Acquired some strength Tuesday to stage a recovery off 1.4723, but resistance in the 1.5000 area is protecting Monday's high at 1.5052. A break above the current session high at 1.4958 Wednesday would give a clearer intention of near-term direction, and would prompt renewed bull pressure through 1.5000 to the 1.5052 high. Loss of 1.4862 would extend the setback towards 1.4800 and 1.4723.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Near-term bulls have regained control after forcing a break above Tuesday's high at 1.1134, creating scope for further gains to the 1.1188 lower high. The 2010 high at 1.1245 set on May 6 coincides with an equality upside target. Only a break below Tuesday's low at 1.1036 would concern bulls.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0552 GMT	0.8480	117.07	1.4051	0.8925
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8830	127.85	1.4740	0.8865
3rd Resistance	0.8646	119.37	1.4125	0.9077
2nd Resistance	0.8609	118.66	1.4118	0.9023
1st Resistance	0.8507	117.65	1.4072	0.8969
Pivot*	0.8516	117.90	1.4103	0.8970
1st Support	0.8429	116.57	1.4035	0.8879
2nd Support	0.8400	115.79	1.4005	0.8803
3rd Support	0.8339	114.59	1.3940	0.8790

Intraday EUR/GBP: Bears are closing in on retesting the 2010 low at 0.8429 following Monday's and Tuesday's sharp setbacks. A break below 0.8429 is expected to expose the 0.8400 level, but a break through there is looking favourable at this stage, exposing an equality downside target at 0.8339 projected off the 0.9148 lower high from March 1. A break above the 0.8609 lower high is required to provide temporary respite.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Extends the setback off Monday's bull failure high at 122.29, and with the 118.66 lower high dominating the near-term, a break into fresh session lows below 116.57 Wednesday is expected. This would expose 115.79, but bears will have an eye on the 114.59 higher low, set on May 7. Above 117.65 would provide relief, but only regaining ground above 118.66 would question the bearish outlook.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The setback off Monday's high at 1.4334 has retraced most of the recovery off the May 6 all-time low at 1.4005, and a break below 1.4035 to bring 1.4005 into focus is imminent. A break below there would prompt further weakness to the 1.3940 area, which protects 1.3900. Regaining ground above 1.4072 is required to defer the bearish outlook, but upside scope is limited at this stage.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Extends the near-term bear tone to upgrade the decline off Monday's high at 0.9077, and the 0.8879 target is the immediate focus. However, there is scope for further weakness towards the 0.8803 higher low, which coincides with the 1.618 downside extension target at 0.8790. Above 0.8969 would lift the tone, but only regaining ground above the 0.9023 lower high would negate the bearish outlook.

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

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