

## 2010-05-20\_European Forex Technicals

European Forex Technicals: EUR Staging Corrective Recovery

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0501 GMT	1.2352	91.74	1.4393	1.1530
3 Day Trend	Bearish	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Range	Bearish	Bullish
200 day ma	1.3789	92.20	1.5650	1.0677
3rd Resistance	1.2510	92.44	1.4477	1.1605
2nd Resistance	1.2445	92.16	1.4447	1.1587
1st Resistance	1.2433	91.88	1.4424	1.1558
Pivot*	1.2327	91.63	1.4377	1.1517
1st Support	1.2256	91.17	1.4307	1.1518
2nd Support	1.2225	90.95	1.4240	1.1498
3rd Support	1.2190	90.80	1.4111	1.1469

Intraday EUR/USD: Stages a good recovery off Wednesday's low at 1.2143 to leave a bullish engulfing daily candle, but remains capped by Tuesday's high at 1.2445. The 50% retracement level of the major 0.8228/1.6040 advance is behind this recovery, but only a sustained break above 1.2445 would improve the near-term picture, opening the 1.2510 area. Failure to hold onto support at 1.2190 would bring the focus back onto the 1.2143 low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Stages a good recovery off Wednesday's low at 90.95 to close the session in the top half of the daily range, and pressure is building on resistance at 91.88. However, key resistance lies at the 92.16 lower high, and only above there would lift the tone. While 92.16 remains intact, there is still the risk of renewed bear pressure on 90.95.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: A bear trap was set Wednesday following the strong recovery off the new 2010 low at 1.4240, and remains close to subsequent resistance at 1.4447. With former range lows at 1.4477 reverting to resistance, and Tuesday's lower high at 1.4519, only a sustained wave of bull pressure would be sufficient to lift the dominant bear trend. Losing intraday support at 1.4307 would prompt a return to the 1.4240 low, where a longer-term downside target at 1.4006 is still a valid objective.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: The solid bull trend set a fresh 13-month high at 1.1587 Wednesday, and is looking to renew pressure on 1.1587 on a break above 1.1558. A lower high dating back to April 2009 lies at 1.1605, and the next upside projected target is at 1.1685. Below 1.1498 would extend corrective weakness towards Wednesday's low at 1.1419, but downside scope is limited.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0537 GMT	0.8590	112.37	1.4245	0.8304
3 Day Trend	Bullish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8813	127.08	1.4700	0.8859
3rd Resistance	0.8666	115.50	1.4346	0.8500
2nd Resistance	0.8617	114.15	1.4325	0.8454
1st Resistance	0.8604	113.55	1.4310	0.8408
Pivot*	0.8564	112.72	1.4197	0.8492
1st Support	0.8546	111.74	1.4233	0.8275
2nd Support	0.8520	110.85	1.4205	0.8215
3rd Support	0.8494	110.49	1.4150	0.8195

Intraday EUR/GBP: Stages a strong recovery off Wednesday's bear trap and bullish engulfing candle low at 0.8494, and the May 14 high at 0.8617 is set for a retest. A break through there would pave the way for further gains towards the 0.8666 target, and strengthen the 0.8429 base at the same time. Only below 0.8520 would question the near-term bullish outlook and expose the 0.8494 low.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Stages a recovery off Wednesday's low at 110.85 to protect the 2010 low at 110.49, but has fallen shy of the minimum upside target at 114.15 as resistance at the current session high at 114.11 caps Thursday. This 114.11/15 area needs to be cleared on a sustained basis in order to improve near-term prospects, opening Tuesday's 115.50 lower high. While below 114.11/15, the dominant threat is for a return to the 110.85 low, and the 110.49 reaction low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: A strong recovery Wednesday on suspected SNB intervention keeps the 2010 low at 1.3997 secure as resistance in the 1.4325 area is the focus. However, a downward drift is underway, and a break below 1.4233 would prompt further weakness towards the 1.4150 area. Above 1.4310 is required to open the 1.4325 barrier.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: The solid short-term bear trend extends following confirmation of a completed five-month double top, and the loss of Wednesday's low at 0.8358 creates scope for further weakness towards 0.8195. However, a cluster of support levels lie just above the psychological 0.8000 level, which is expected to be met in the coming sessions. Above 0.8408 is required to provide temporary relief, although scope for corrective upside is extremely limited.

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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