

European Forex Technicals: EUR Staging Corrective Bounce

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0442 GMT	1.2306	90.29	1.4383	1.1606
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	1.3736	92.12	1.5601	1.0712
3rd Resistance	1.2480	91.03	1.4528	1.1696
2nd Resistance	1.2417	90.75	1.4458	1.1680
1st Resistance	1.2388	90.51	1.4422	1.1633
Pivot*	1.2298	89.94	1.4359	1.1610
1st Support	1.2271	90.00	1.4309	1.1564
2nd Support	1.2223	89.55	1.4260	1.1516
3rd Support	1.2177	89.26	1.4229	1.1450

Intraday EUR/USD: Tuesday's recovery off 1.2177 leaves a bull hammer on the daily chart to protect last week's 2010 low at 1.2143, but resistance has emerged at 1.2388 to limit the rally. Loss of 1.2271 would prompt deeper weakness to the 1.2223 area, but near-term bulls will be keen to keep this level intact to build on the recovery off 1.2177. A break above 1.2388 would extend consolidation of the 1.2673/1.2177 decline, opening 1.2417 and the 1.2480 area.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Tuesday's bull hammer low at 89.26 helps the market regain a foothold above 90.00, and scope exists for a retest of Monday's high at 90.75. A break above there would build on the recovery off the May 20 reaction low at 88.95, opening an upside target at 91.03, and the 50% retracement level of the dominant 93.65/88.95 decline, at 91.30. A break back below 90.00 would prompt weakness to 89.55, and suggest a symmetrical triangle consolidation pattern is being traced out.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Stages a good recovery off Tuesday's low at 1.4260 to protect the 2010 low at 1.4229, and suggests a retest of Monday's bull failure high at 1.4528 is on the cards. A break above 1.4422 is required to create scope for such a move, but only a fresh wave of bull pressure would manage to force a break above 1.4528. Loss of 1.4309 would leave 1.4260 and 1.4229 vulnerable to renewed weakness.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's bear hammer high at 1.1696 marked a fresh 13-month high, but lack of follow-through gains prompted a setback to 1.1516 before undergoing a recovery. Resistance at 1.1633 is under threat, and there is scope for a higher retracement up to 1.1680. A break back below 1.1564 is required to bring the focus back onto the 1.1516 low.

Weekly chart USD/CHF trend: Bullish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0521 GMT	0.8555	110.84	1.4268	0.8237
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Range	Bearish	Bearish	Bearish
200 day ma	0.8806	126.49	1.4686	0.8834
3rd Resistance	0.8704	112.38	1.4365	0.8364
2nd Resistance	0.8650	111.95	1.4325	0.8302
1st Resistance	0.8585	111.25	1.4293	0.8263
Pivot*	0.8555	110.61	1.4276	0.8209
1st Support	0.8511	110.05	1.4242	0.8188
2nd Support	0.8494	109.80	1.4209	0.8125
3rd Support	0.8445	108.83	1.4175	0.8068

Intraday EUR/GBP: Stages a bull hammer recovery off Tuesday's low at 0.8511 to halt the sharp setback off the May 21 high at 0.8771, and resistance at 0.8585 looks set for a retest. A push through here would lift the tone and open the pivotal 0.8650 area, where the 50% retracement level lies close by. Failure to break through 0.8585, combined with a break below 0.8511 would put bears back in control of the near-term, exposing 0.8494, and the 0.8429/0.8445 lows.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Fell to a fresh eight-and-a-half year low at 108.83 Tuesday before staging a counter-trend recovery, and is looking to tackle resistance at 111.95. A break through there would create maximum upside scope for the 113.75 area, but given the dominant bear trend, upside scope is limited. A concerted break below 109.80 would enhance the risk of a return to the 108.83 low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The recovery off Tuesday's low at 1.4209 is looking to tackle resistance at 1.4293, as part of consolidation of the setback off the May 21 reaction high at 1.4589. Projected resistance lies at 1.4325, and a break above there is required to lift near-term prospects and open the pivotal 1.4365 level. However, while 1.4325 remains intact, there is still a risk for renewed bear pressure on 1.4242 and the 1.4209 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Undergoes a setback off the current session high at 0.8302 Wednesday, to consolidate the strong recovery off Tuesday's low at 0.8068. This low marked the front of a solid support cluster that protects the psychologically-important 0.8000 level, and a break above 0.8302 would build on the recovery, opening the May 21 lower high at 0.8364. However, upside scope would be created for 0.8420 on a break above 0.8302. Below 0.8188 would expose the 0.8125 area, but bulls will be keen to keep this area intact, to suggest a significant basing attempt is underway.

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

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