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European Forex Technicals: EUR/GBP To Test 2010 Low At 0.8429

27 May 2010, 08:37

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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 0533 GMT	1.2256	90.13	1.4441	1.1551
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	1.3720	92.10	1.5589	1.0721
3rd Resistance	1.2388	91.06	1.4559	1.1620
2nd Resistance	1.2365	90.75	1.4528	1.1612
1st Resistance	1.2293	90.37	1.4500	1.1572
Pivot*	1.2244	90.14	1.4400	1.1581
1st Support	1.2185	89.81	1.4372	1.1513
2nd Support	1.2143	89.26	1.4335	1.1500
3rd Support	1.2080	88.95	1.4260	1.1445

Intraday EUR/USD: Wednesday's setback off 1.2388 reversed Tuesday's bull hammer, and last week's 2010 low at 1.2143 is now under bear pressure. The ability to negate the bull hammer highlights the bear dominance in this market, and a break below 1.2143 is looking likely during Thursday's session. Below there would expose 1.2080, and the psychologically-important 1.2000 level. Only above 1.2365 would cast doubt on a downside move, opening 1.2388 and 1.2417.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Resistance near the week's high at 90.75 capped Wednesday's gains, and a retest of support at 89.81 looks on the cards. Tuesday's bull hammer low at 89.26 would then come into the picture, and the dominant threat would be for more weakness towards the May 20 reaction low at 88.95. Above 90.37 would lift the tone, although a break above 90.75 is required to improve short-term prospects, opening 91.06.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Extends the recovery off Tuesday's low at 1.4260 to protect the 2010 low at 1.4229, and is edging higher towards resistance at 1.4500. This protects Monday's bull failure high at 1.4528, but only a fresh wave of bull pressure will be able to break the strong resistance in this area, creating potential upside to the 1.4745 area. Below the 1.4335 intraday higher low would suggest a return to the 1.4260/29 lows.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Corrective bear pressure is building on Wednesday's low at 1.1513, which would create downside scope to the equality target at 1.1445. But there is risk of a bear failure low as bulls will be keen to defend the 1.1500 level. The underlying trend is still positive, and a break above the 1.1623 lower high would re-open Tuesday's 13-month high at 1.1696.

Weekly chart USD/CHF trend: Bullish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0600 GMT	0.8487	110.97	1.4165	0.8326
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8803	126.32	1.4681	0.8828
3rd Resistance	0.8650	111.95	1.4293	0.8475
2nd Resistance	0.8585	111.60	1.4209	0.8420
1st Resistance	0.8511	111.22	1.4196	0.8387
Pivot*	0.8497	110.40	1.4183	0.8259
1st Support	0.8445	109.58	1.4110	0.8202
2nd Support	0.8429	109.20	1.4047	0.8188
3rd Support	0.8400	108.83	1.3997	0.8068

Intraday EUR/GBP: Wednesday's break below 0.8511 negates Tuesday's bull hammer, and brings the focus sharply onto the 2010 low at 0.8429 set earlier this month. The 0.8400 level is looking vulnerable, and there is a wider downside equality target at 0.8339 projected off the March 1 lower high that needs to be met in order to maintain the dominant bear trend. Resistance lies at 0.8511 and 0.8585.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Wednesday's setback off 111.95 is asking questions about the validity of Tuesday's bull hammer, and has been putting the 108.83 low under pressure. A recovery is underway off 109.20, which suggests a bear pennant/flag formation may be being traced out on the 60-minute chart, and resistance at 111.60 will look to protect the 111.95 high. Bears dominate the underlying trend, and a break below 109.20 would expose 108.83, creating scope for 106.40 on concerted weakness.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Forced a break below 1.4209 Wednesday as bears rightfully begin to re-dominate the daily chart, and the 1.4110 downside target is under pressure. While former range lows at 1.4209 now revert to resistance, the risk is for further weakness below 1.4110 to expose 1.4047, and the 1.3997 all-time low set earlier this month. Only regaining ground above Wednesday's lower high at 1.4293 would question the bearish outlook.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Undergoes a setback off Wednesday's high at 0.8387, having fallen shy of the required 0.8420 upside target, and bears will look to renew pressure on the 0.8202 low. Below 0.8188 would confirm 0.8387 as a bull failure high, and prompt further weakness towards Tuesday's low at 0.8068. A push above 0.8387 would suggest there is some resilience behind this recovery off 0.8068, opening 0.8420, but creating upside scope for 0.8520 on concerted strength.

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"

May 27, 2010 02:37 ET (06:37 GMT)