

## 2010-05-28\_European Forex Technicals

European Forex Technicals: GBP/USD To Head Higher To 1.4745  
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LONDON (Dow Jones)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0458 GMT	1.2304	91.11	1.4547	1.1561
3 Day Trend	Range	Bullish	Bullish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	1.3706	92.09	1.5579	1.0729
3rd Resistance	1.2395	92.15	1.4745	1.1655
2nd Resistance	1.2381	91.75	1.4640	1.1615
1st Resistance	1.2345	91.36	1.4606	1.1573
Pivot*	1.2304	90.65	1.4525	1.1550
1st Support	1.2256	90.75	1.4505	1.1515
2nd Support	1.2204	90.49	1.4455	1.1485
3rd Support	1.2154	89.81	1.4409	1.1450

Intraday EUR/USD: The EUR looks to have weathered the storm following Thursday's bullish outside day recovery off 1.2154, and to maintain the positive tone, bulls need to keep 1.2256 intact to threaten a return to the 1.2395 high. A break above resistance at 1.2345 and the 1.2381 lower high is required before renewing pressure on 1.2395. Failure to keep 1.2256 intact would question the near-term bull tone and prompt a return to the 1.2204 higher low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Thursday's strength managed to force an eventual break above 90.75 to meet the 91.06 target, and is threatening to renew pressure on the 91.36 high. A sustained break through there would boost near-term prospects, opening 91.75 and congested resistance in the 92.15 area. However, this is part of the recovery off the May 20 reaction low at 88.95 that is still considered a correction. A break below 90.49 is required to prompt weakness down to the 89.81 higher low.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Thursday's push and session close above 1.4528 builds strongly upon the recent 1.4229/60 lows, and the May 14 lower high at 1.4640 is the immediate target. Upside scope has been created for a 1.618 extension target at 1.4745, but the recovery should be limited to resistance from former range lows at 1.4785, and projected resistance at 1.4805. Only a break below the 1.4455 area would question the bullish outlook, and a break below the 1.4409 intraday low Thursday would put near-term bears back in control.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Thursday's volatility left a lower high at 1.1655 following the probe below 1.1503, and support at 1.1485 looks set for a retest. A break below there would extend the setback off Tuesday's 13-month high at 1.1696, exposing the May 21 low at 1.1450 initially, but with scope for the 1.618 extension target at 1.1345. Regaining ground above 1.1615 is required to suggest a return to the 1.1655 lower high.

Weekly chart USD/CHF trend: Bullish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0534 GMT	0.8467	112.33	1.4235	0.8498
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8799	126.18	1.4676	0.8825
3rd Resistance	0.8575	114.40	1.4325	0.8724
2nd Resistance	0.8510	113.06	1.4293	0.8605
1st Resistance	0.8490	112.77	1.4274	0.8578
Pivot*	0.8470	111.52	1.4203	0.8421
1st Support	0.8423	111.54	1.4199	0.8466
2nd Support	0.8400	110.42	1.4146	0.8363
3rd Support	0.8339	109.58	1.4110	0.8202

Intraday EUR/GBP: Thursday's foray into fresh 2010 lows below 0.8429 failed to attract follow-through, and the session closed with a higher close which suggests the EUR may be building a base at 0.8423. An inverse head-and-shoulders is forming on the 60-minute chart, and a break through the neckline around 0.8490 would prompt further recovery towards the 0.8575/85 resistance cluster. Only a break below 0.8423 would put near-term bears back in control, exposing 0.8400 and bringing a wider downside equality target at 0.8339, projected off the Mar 1 lower high, into the picture.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Thursday's bullish outside day builds on the recovery off Tuesday's eight-and-a-half year low at 108.83, and is well-placed to challenge resistance in the 112.77/113.06 area. However, only a fresh wave of bull pressure would be able to force a break through there, opening the May 21 lower high at 114.40. Given the dominant trend is bearish, downside risk will always be a threat, and a break below the 110.42 higher intraday low would bring the focus back onto the 109.20/108.83 lows.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Stages a recovery off Thursday's low at 1.4110 to regain the 1.4200 level, and while support at 1.4199 holds, there is room for a retest of resistance at 1.4274. Tuesday's lower high at 1.4293 lies above there, and a 1.618 extension target suggests 1.4325 is achievable. Loss of 1.4199 would question the near-term bullish outlook, but only below the 1.4146 higher low would prompt a return to the 1.4110 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: The support cluster situated just above the psychological 0.8000 level has been strengthened following Thursday's wide-range advance through 0.8388, and resistance at the former range low at 0.8578 is now the focus. This level also coincides with 38.2% retracement of the major 0.9381/0.8068 decline, but scope has been created for further recovery towards the 0.8706/24 area. A break below the 0.8363 intraday higher low would question the upside threat, although only below the 0.8202 higher low would concern near-term bulls.

Weekly chart AUD/USD trend: Bearish.

\* The pivot is the sum of the high, low and close divided by 3.

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

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