

2010-06-15_European Forex Technicals

European Forex Technicals: GBP/USD Creates Scope For \$1.50

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A DOW JONES NEWSWIRES COLUMN

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

| Forex spot: | EUR/USD | USD/JPY | GBP/USD | USD/CHF |
|----------------|---------|---------|---------|---------|
| Spot 0449 GMT | 1.2211 | 91.52 | 1.4737 | 1.1408 |
| 3 Day Trend | Bullish | Bearish | Bullish | Bearish |
| Weekly Trend | Bearish | Range | Bullish | Bearish |
| 200 day ma | 1.3526 | 92.03 | 1.5465 | 1.0821 |
| 3rd Resistance | 1.2327 | 92.35 | 1.4891 | 1.1547 |
| 2nd Resistance | 1.2298 | 92.12 | 1.4807 | 1.1500 |
| 1st Resistance | 1.2257 | 91.75 | 1.4768 | 1.1441 |
| Pivot* | 1.2210 | 91.70 | 1.4706 | 1.1420 |
| 1st Support | 1.2153 | 91.40 | 1.4650 | 1.1397 |
| 2nd Support | 1.2127 | 91.20 | 1.4595 | 1.1350 |
| 3rd Support | 1.2074 | 90.84 | 1.4508 | 1.1271 |

Intraday EUR/USD: Consolidates off Monday's seven-day high at 1.2298 to retrace the recovery off last week's 2010 low at 1.1876, and the first port of call is congested support between 1.2127 and 1.2153. Near-term bulls are expected to emerge here to protect the recovery, and with backup support lying at 1.2074/87, downside looks limited at this stage. Above 1.2257 would lift the tone and re-open the 1.2298 high, which protects the June 3 lower high at 1.2327.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Suffered a sharp setback off Monday's high at 92.12, as support at 91.40 is back under pressure. Failure to keep 91.40 intact would deepen the setback to the June 11 higher low at 91.20, but would question the validity of the five-day recovery off 90.84 and create scope to retest this 90.84 low. Only a sustained break above 91.75 would lift the tone, and suggest a return to the 92.12 high.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: Monday's probe above 1.4771 into fresh four-week highs has confirmed a significant higher low at 1.4349, and is set to force a break above 1.4807. A wave equality target lies at 1.4891, but there is scope for further strength to 1.4915 and 1.4968, which will look to protect the psychologically-important 1.5000 level. The 1.4650 area is likely to limit corrective weakness, and only below the June 11 low at 1.4508 would concern bulls.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Stages a recovery off Monday's low at 1.1350 to move back into the former range above 1.1397. However, while resistance at 1.1500 remains intact, the dominant threat is for renewed bear pressure on the 1.1350 low. This would threaten further downside towards wave equality at 1.1271. Regaining ground above 1.1441 would lessen the bear threat, but only above 1.1500 would pave the way to the June 11 lower high at 1.1547.

Weekly chart USD/CHF trend: Bearish.

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| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0525 GMT | 0.8283 | 111.76 | 1.3931 | 0.8563 |
| 3 Day Trend | Bearish | Bullish | Bullish | Bullish |
| Weekly Trend | Bearish | Bearish | Bearish | Bullish |
| 200 day ma | 0.8745 | 124.46 | 1.4597 | 0.8775 |
| 3rd Resistance | 0.8378 | 113.37 | 1.4050 | 0.8725 |
| 2nd Resistance | 0.8359 | 112.87 | 1.4000 | 0.8666 |
| 1st Resistance | 0.8322 | 112.13 | 1.3986 | 0.8619 |
| Pivot* | 0.8312 | 112.03 | 1.3939 | 0.8589 |
| 1st Support | 0.8259 | 111.00 | 1.3874 | 0.8506 |
| 2nd Support | 0.8220 | 110.30 | 1.3860 | 0.8467 |
| 3rd Support | 0.8212 | 109.89 | 1.3816 | 0.8428 |

Intraday EUR/GBP: Monday's sharp setback off 0.8359 is set to head lower towards 0.8259 following the break below 0.8280, and questions the validity of last week's double-bottom at 0.8212. There is scope for a deeper setback beyond 0.8259, and a 1.618 extension target lies at 0.8220. Regaining ground above the 0.8322 intraday lower high is required to lift the tone, opening the 0.8359 high.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's high at 112.87 prompts consolidation of the six-day recovery off last week's 2010 low at 108.06, and support in the 111.00 area is set for a retest. Failure to hold there would prompt a deeper setback towards congested support around 110.30, and near-term bulls will look to keep this area intact. Regaining ground above 112.13 would lift the tone and suggest a return to the 112.87 high.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Consolidates beneath Monday's high at 1.3986, and beneath solid resistance created by former range lows at 1.4000. Room exists for further bear pressure back to the Monday's low at 1.3874, and has backup at 1.3860 from the 50% retracement level of the rally off last week's all-time low at 1.3735. Upside scope is limited, and only a sustained break above 1.4000 would provide a huge boost, opening 1.4050 and 1.4092.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Consolidates off Monday's high at 0.8666 in an attempt to close the upside gap at 0.8506. However, corrective weakness should be limited to the June 11 higher low at 0.8428. Bull momentum has upside scope to 0.8725, achievable on a break above 0.8666.

Weekly chart AUD/USD trend: Bullish.

* 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 search "INSI-DJN"

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