

# European Forex Technicals: EUR/JPY To Extend Setback

By Francis Bray

A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0456 GMT	1.2218	88.62	1.5066	1.0814
3 Day Trend	Bearish	Bearish	Bullish	Bearish
Weekly Trend	Bearish	Bearish	Bullish	Bearish
200 day ma	1.3399	91.84	1.5406	1.0846
3rd Resistance	1.2275	89.06	1.5174	1.0938
2nd Resistance	1.2265	88.93	1.5127	1.0903
1st Resistance	1.2230	88.69	1.5088	1.0881
Pivot*	1.2210	88.77	1.5066	1.1036
1st Support	1.2151	88.29	1.5009	1.0801
2nd Support	1.2117	87.95	1.4993	1.0786
3rd Support	1.2075	87.36	1.4974	1.0732

Intraday EUR/USD: Support at 1.2151 has emerged to halt the setback off Monday's lower high at 1.2398, and a corrective recovery is underway towards key resistance in the 1.2265/75 area. This represents former intraday lows which shaped a bear pennant Mon/Tue, a 1.618 upside extension target, and 50% retracement of the 1.2398/1.2151 decline, which together should limit corrective upside scope. Failure to meet a wave equality target at 1.2230, combined with a break below 1.2150 would put bears back in control of the near-term, exposing 1.2117 and 1.2075.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Significant bear pressure emerged to set a fresh seven-week low at 88.29 Tuesday, and the dominant threat is for renewed pressure on 88.29 as the focus lies on testing the May 6 reaction low at 87.95. However, the bigger picture suggests a 1.618 extension target at 86.72 and a downwave equality target at 85.85 are achievable on a slightly longer-term basis. A push above 88.69 would extend corrective strength towards the 88.93/89.06 resistance area, but upside scope is limited to this area.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Continues to consolidate beneath Monday's peak at 1.5127 within a symmetrical triangle/bull pennant, while keeping support at 1.5009 intact. While the short-term tone remains bullish, there is room for renewed pressure on pennant resistance around 1.5088, opening 1.5127 and congested resistance in the 1.5168/74 area. This protects the key resistance cluster in the 1.5225 area. Loss of 1.5009 would expose 1.4993, but only below 1.4974 would concern near-term bulls.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Set a fresh seven-week low at 1.0801 Tuesday as dominant bears attempt to force a break below a seven-month bull trendline in this area. A lower high has been forged at 1.0903, and loss of 1.0801 would prompt further weakness towards 1.0786, creating scope for the May 3 higher low at 1.0732. Only above 1.0903 would concern bears, which is protected by 1.0881.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0540 GMT	0.8114	108.14	1.3211	0.8506
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8695	123.06	1.4495	0.8765
3rd Resistance	0.8204	109.53	1.3393	0.8645
2nd Resistance	0.8137	109.10	1.3329	0.8625
1st Resistance	0.8122	108.57	1.3250	0.8557
Pivot*	0.8098	108.39	1.3239	0.8559
1st Support	0.8067	107.68	1.3165	0.8467
2nd Support	0.8052	107.30	1.3100	0.8428
3rd Support	0.8000	107.00	1.3000	0.8349

Intraday EUR/GBP: Stages a corrective recovery off Tuesday's 19-month low at 0.8067, but while consolidation is capped below 0.8122/37, the main threat is for renewed bear pressure on 0.8067. A key downwave equality target still needs to be met at 0.8052, and dominant bears will be looking to reach the psychological 0.8000 level. Regaining ground above 0.8137 would provide respite, but more solid resistance lies in the 0.8204 area.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Tuesday's sharp break into fresh eight-and-a-half year lows annulled the potential one-month inverse head-and-shoulders base pattern, and pressure is expected to retest support at 107.30. A downwave equality target lies at 107.00, but the underlying bear dominance has been ably demonstrated, suggesting there is scope for further weakness towards 105.94 and 105.53. Above 108.57 would provide respite, although solid resistance lies at 109.53.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Set another all-time low at 1.3165 Tuesday on its way to meeting a key downside target, and bears have an eye on testing the psychological 1.3000 level in the coming sessions. There is little in the way of projected downside targets once 1.3165 is broken, and this remains the dominant threat. The 1.3329 area has become near-term pivotal resistance, and only a break above there would provide respite.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Tuesday's sharp setback forced a break below 0.8595, and is set to renew pressure on support at 0.8467. Last week's bearish hanging man candle is determining the short-term direction, and there is scope for further weakness towards the 1.618 extension target at 0.8349. The June 11 higher low at 0.8428 will look to protect 0.8349. Corrective gains should be limited to the 0.8645 area.

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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