

2010-07-01_European Forex Technicals

European Forex Technicals: EUR/CHF Bear Trend Eyes 1.3000

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0445 GMT	1.2212	88.25	1.4939	1.0738
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bullish	Bearish
200 day ma	1.3387	91.80	1.5401	1.0845
3rd Resistance	1.2305	88.93	1.5071	1.0856
2nd Resistance	1.2275	88.77	1.5015	1.0801
1st Resistance	1.2243	88.57	1.4975	1.0789
Pivot*	1.2237	88.52	1.4984	1.0748
1st Support	1.2178	88.08	1.4918	1.0710
2nd Support	1.2150	87.95	1.4881	1.0691
3rd Support	1.2117	87.36	1.4856	1.0603

Intraday EUR/USD: Weakness off Wednesday's high at 1.2305 keeps the near-term delicately poised as a downside target at 1.2178 approaches. Key support lies at 1.2150, and a sustained break below there is required to put bears in control of the near-term, exposing an equality target at 1.2117. However, scope would be created for the 1.2045 area on a break below 1.2150. Above 1.2243 would prompt a recovery towards the 1.2275 area, but only above 1.2305 would put near-term bulls in control.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Maintains the dominant bear tone following the break into fresh seven-week lows below 88.29 Wednesday, and the focus is on the key May 6 spike/reaction low at 87.95. Having recently completed a bear pennant, there is risk for further weakness towards 87.36, and the 1.618 extension target at 86.72. Regaining ground above 88.57 would provide respite, but a break above Wednesday's high at 88.77 is required to question the bearish outlook.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Wednesday's break below 1.4982 strengthens the case for calling Monday's high at 1.5127 as a significant peak, and pressure is building on key projected support at 1.4881. A break below there would leave 1.5127 as a near-term bull failure, exposing 1.4856, and creating scope for the June 22 higher low at 1.4690. While 1.4881 holds, there is room for a recovery towards 1.5015, but only above there would suggest a return to the 1.5127 high.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: There appears to be no end to this deep bear trend, as fresh eight-week lows are being seen following Thursday's push below 1.0752. Bear pressure is expected to retest support at 1.0710, and having forced a break below a seven-month bull trendline around 1.0800 without too much trouble, there is room for further weakness towards 1.0691 and an equality target at 1.0575. Regaining ground above 1.0801 is required to provide respite, opening 1.0856.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0517 GMT	0.8185	108.12	1.3142	0.8366
3 Day Trend	Range	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8689	122.91	1.4482	0.8762
3rd Resistance	0.8330	109.53	1.3289	0.8565
2nd Resistance	0.8273	109.13	1.3195	0.8467
1st Resistance	0.8225	108.33	1.3165	0.8415
Pivot*	0.8164	108.38	1.3216	0.8466
1st Support	0.8145	107.50	1.3073	0.8319
2nd Support	0.8101	107.30	1.3000	0.8250
3rd Support	0.8067	105.94	1.2955	0.8197

Intraday EUR/GBP: Extends the strong recovery off Tuesday's 19-month low at 0.8067, as resistance at 0.8225 is under threat. This represents 50% retracement of the dominant 0.8380/0.8067 decline, and consolidation may be needed back towards Wednesday's low at 0.8101. However, only below there would suggest a return to the 0.8067 reaction low. A fresh wave of bull pressure is required to force a break above 0.8225, opening the June 24 lower high at 0.8273.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Despite Wednesday's good recovery off an eight-and-a-half year low at 107.30, weakness Thursday looks to put 107.30 back under pressure. Having just witnessed a failed inverse head-and-shoulders basing pattern on the daily chart, the main threat is to the downside, and a break below 107.30 would prompt further weakness towards 105.94 and 105.53. Only a break above Wednesday's high at 109.13 would question the bearish outlook, opening 110.00.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Pushes into fresh all-time lows following the break below 1.3165 Thursday, as the psychological 1.3000 level comes within striking distance. A corrective recovery is underway off 1.3073, but with near-term pivotal resistance at 1.3195 likely to cap the upside, the main threat is for renewed bear pressure on 1.3073, exposing 1.3000. 1.2955 provides the nearest projected support area below 1.3000.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: The setback off the June 21 reaction high 0.8858 extends to a fresh 3-week low, following the break below 0.8467 Wednesday. Support has emerged at 0.8319 after a key 1.618 downside target was met, but unless a break above 0.8415 can be achieved, there is room for more weakness towards the 0.8250 area. Above 0.8415 would open the 0.8565 lower high.

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 search "INSI-DJN"

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