

# European Forex Technicals: EUR To Extend Strength

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 0501 GMT	1.2684	88.64	1.5154	1.0512
3 Day Trend	Bullish	Bullish	Bearish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3341	91.57	1.5387	1.0830
3rd Resistance	1.2773	89.22	1.5391	1.0637
2nd Resistance	1.2765	89.06	1.5240	1.0579
1st Resistance	1.2713	88.71	1.5206	1.0529
Pivot*	1.2677	88.22	1.5170	1.0512
1st Support	1.2620	88.28	1.5082	1.0481
2nd Support	1.2600	88.00	1.5070	1.0435
3rd Support	1.2553	87.78	1.4934	1.0424

**Intraday EUR/USD:** Continues to edge higher towards the 1.2737 wave equality target following the push above 1.2663, although upside momentum is waning. A more important wave equality target lies at 1.2765, projected off the June 29 higher low at 1.2151, and the long-term bear resistance line originating from the November 2009 reaction high at 1.5145 is at 1.2773 for Friday's current session. Corrective weakness will attract support around 1.2600/20, and only below 1.2553 would concern near-term bulls.

Weekly chart EUR/USD trend: Bullish.

**Intraday USD/JPY:** Extends the recovery off the July 2 higher low at 87.02 to force a break above 88.47, and looks to test resistance at 89.06. This represents the 1.618 extension target, and coincides with former range lows that have reverted to resistance, suggesting a near-term peak is expected in that area. A break below 88.28 would question thoughts of testing 89.06, exposing the near-term pivotal support level at 88.00.

Weekly chart USD/JPY trend: Bearish.

**Intraday GBP/USD:** A classic bull trap Thursday left the two-month high at 1.5240 stranded, and brings the focus down to the bottom of the range at 1.5070/82. The failure to attract follow-through above 1.5230 Thursday suggests the six-week recovery is close to its conclusion, and a break below 1.5070 would prompt a sharp downmove towards 1.4934. The July 1 higher low at 1.4876 lies below there. Above 1.5206 is required to suggest the 1.5240 high is vulnerable.

Weekly chart GBP/USD trend: Bullish.

**Intraday USD/CHF:** Another fresh low in this sharp downtrend off the June 1 peak at 1.1730 set the first session close below 1.0500 since January 26 Thursday, and with no sign of reversing the trend, a break below support at 1.0481 is likely. The April 1 higher reaction low at 1.0435 is within striking distance, but there are achievable downside targets beyond there at 1.0424 and 1.0368. 1.0579 has become near-term pivotal resistance, and only a sustained break above there would provide respite, opening 1.0637.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0527 GMT	0.8368	112.44	1.3338	0.8767
3 Day Trend	Bullish	Bullish	Range	Bullish
Weekly Trend	Bullish	Range	Bearish	Range
200 day ma	0.8667	122.19	1.4414	0.8748
3rd Resistance	0.8429	114.16	1.3395	0.9025
2nd Resistance	0.8415	113.43	1.3378	0.8858
1st Resistance	0.8380	112.60	1.3356	0.8792
Pivot*	0.8354	111.79	1.3313	0.8731
1st Support	0.8340	111.81	1.3298	0.8694
2nd Support	0.8300	111.33	1.3260	0.8620
3rd Support	0.8254	110.75	1.3218	0.8550

Intraday EUR/GBP: Maintains the short-term uptrend following the break above 0.8340 Thursday, and the June 17 lower high at 0.8380 is being challenged. A break above there would threaten further gains towards the former range lows at 0.8429, although this area should limit the upside scope for Friday's current session. The 0.8300 has become near-term pivotal support, which is protected by 0.8340.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Extends the good recovery off the June 29 reaction low at 107.30 to force a break above 112.00, and is challenging resistance at 112.60. There is room for a break above there as bull momentum is on the increase, and the June 21 reaction high at 113.43 is within striking distance. Only below 111.81 would question the near-term bullish outlook, exposing the 111.33 higher intraday low.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Remains above support at 1.3260 to keep the action off the July 2 reaction high at 1.3434 within a bull flag, and bull pressure is building on resistance at 1.3356. Having restricted consolidation of the 1.3073/1.3434 rally to the 50% retracement level underpins near-term optimism, and a break above 1.3356 would open bull flag resistance around 1.3395 for Friday's current session. Only a break below 1.3298 would concern near-term bulls and bring the focus back onto the 1.3260 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: There is also renewed optimism in the AUD after posting three powerful up-days from Tuesday's bear trap low at 0.8318, and resistance at 0.8792 is likely to be broken. The June 21 reaction high at 0.8858 would then be revealed, and longer-term bears will be keen to keep this level intact. There is risk of corrective weakness down towards 0.8620, and backup support lies at 0.8550.

Weekly chart AUD/USD trend: Range.