

# European Forex Technicals: EUR/USD Poised For More Gains

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 0459 GMT	1.2968	87.00	1.5262	1.0536
3 Day Trend	Bullish	Bearish	Bearish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3303	91.31	1.5376	1.0810
3rd Resistance	1.3095	87.71	1.5400	1.0590
2nd Resistance	1.3055	87.60	1.5349	1.0580
1st Resistance	1.3008	87.23	1.5283	1.0561
Pivot*	1.2935	86.79	1.5260	1.0519
1st Support	1.2927	86.64	1.5205	1.0502
2nd Support	1.2871	86.27	1.5158	1.0446
3rd Support	1.2805	85.85	1.5145	1.0400

Intraday EUR/USD: Monday's recovery off 1.2871 will look to extend Tuesday to put last Friday's peak at 1.3008 under pressure. A break above there is favoured at this stage, opening 1.3055 and congested resistance at 1.3095, incorporating both a wave equality target and the May 10 lower high. Failure to break above 1.3008 would suggest more lateral consolidation is required prior to an upside break, prompting a drift back towards the 1.2871 low.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: The corrective recovery off last Friday's low at 86.27 is attempting to extend as resistance at 87.23 is under threat. A break through there would create room for further gains towards the resistance cluster at 87.60, but together with backup at 87.71 and 87.85, upside scope looks limited. Failure to break 87.23 would prompt a return to support at 86.64, and given the dominant bear trend, a test of the 86.27 low cannot be ruled out.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Failure to keep former range highs at 1.5230 intact is an indication of GBP weakness, and while 1.5283 caps the upside, there is scope for renewed bear pressure on support at 1.5205. A break below there would unveil the downwave equality target at 1.5158, which lies close to the 61.8% retracement level of the 1.4949/1.5470 rally, at 1.5145. Above 1.5283 would lift the tone, but only regaining ground above the 1.5349 lower high would suggest a return to the 1.5470 is possible.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Builds on the corrective recovery off last Friday's low at 1.0400 to probe above 1.0543 and

test key resistance in the 1.0580/90 area. However, this area is expected to cap strength and the dominant bear trend will come back to the fore, putting pressure on Monday's higher low at 1.0446. The 1.0400 reaction low would then become vulnerable on a break below there.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0525 GMT	0.8496	112.89	1.3653	0.8775
3 Day Trend	Bullish	Bearish	Bullish	Bullish
Weekly Trend	Bullish	Range	Bullish	Bearish
200 day ma	0.8648	121.51	1.4349	0.8751
3rd Resistance	0.8600	113.77	1.3770	0.8848
2nd Resistance	0.8585	113.40	1.3750	0.8807
1st Resistance	0.8531	113.07	1.3672	0.8785
Pivot*	0.8484	112.22	1.3612	0.8680
1st Support	0.8430	112.49	1.3600	0.8745
2nd Support	0.8400	112.13	1.3557	0.8715
3rd Support	0.8360	111.43	1.3508	0.8668

Intraday EUR/GBP: The short-term uptrend extended to 0.8531 Monday before undergoing a corrective setback, but while projected support at 0.8430 remains intact, the dominant threat is for renewed bull pressure on the 0.8531 high. There is still scope for upside towards 0.8585 and the 0.8600 area, and a wave equality target lies at 0.8668. Only a break below 0.8430 would question the bullish outlook, exposing 0.8360.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Monday's recovery off 111.43 is looking to put pressure on resistance at 113.07, in a bid to re-open the July 15 peak at 113.40. A wave equality target lies above there at 113.77, but the upside threat does not appear to be strong enough to be able to reach this target. A break below 112.13 is required to put bears in control of the near-term, exposing the 111.43 low.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Monday's good recovery off 1.3508 extends the short-term bull trend off 1.3073, and is looking to force a break above projected resistance at 1.3672. This area is a significant resistance area, and a fresh wave of bull pressure is required to prompt further gains towards 1.3750. Support lies at 1.3600 and 1.3557, and only below the latter would concern near-term bulls.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Tuesday's strength completes a bull pennant on the 60-minute chart, extending the recovery off Monday's low at 0.8634 towards resistance at 0.8807. A sustained break above there is required to improve near-term prospects, opening 0.8848 and the key July 14 reaction high at 0.8871. The 0.8715 area has become short-term pivotal support, and only below there 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.

For more technical analysis see: Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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