

European Forex Technicals: AUD/USD Bulls Closing In On 0.900

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 0453 GMT	1.2897	86.92	1.5289	1.0434
3 Day Trend	Bearish	Bearish	Range	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3289	91.19	1.5372	1.0800
3rd Resistance	1.2998	87.58	1.5470	1.0543
2nd Resistance	1.2960	87.23	1.5400	1.0500
1st Resistance	1.2933	87.14	1.5338	1.0463
Pivot*	1.2854	86.84	1.5237	1.0445
1st Support	1.2880	86.73	1.5235	1.0394
2nd Support	1.2830	86.27	1.5190	1.0368
3rd Support	1.2775	85.85	1.5126	1.0288

Intraday EUR/USD: Keeping support at 1.2732 intact Thursday has prompted a recovery in an attempt to regain a foothold above 1.2900, and is not too far away from testing resistance at 1.2933. While the 1.2830 support area contains corrective dips, renewed bull pressure is expected on 1.2933, threatening further gains to 1.2960 and the 1.2998 intraday lower high which protects Tuesday's 1.3029 peak. Only a sustained break below 1.2830 would question the near-term bullish outlook and bring the focus back onto the 1.2732 low.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Thursday's recovery keeps the July 16 reaction low at 86.27 intact, but has run into trouble following Friday's sharp setback off 87.23. A break below 86.73 looks the most likely outcome, bringing the focus back onto the 86.27/86.34 lows, and the downwave equality target at 85.85 is still achievable. A break above 87.23 is required to lift the tone and open Tuesday's 87.58 high.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Remains within the confines of Wednesday's bearish outside day, as the recovery off 1.5126 looks to edge higher towards resistance at 1.5338. However, bears will look defend this level as a break above there would negate the short-term bear tone and open the 1.5400 area, which protects the July 15 peak at 1.5470. Below 1.5235 would prompt a setback towards 1.5190 and bring the 1.5126 low back into the picture.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: The bear trend remains intact following Thursday's fresh five-month low at 1.0394. While 1.0465 caps the upside, there is scope for further weakness towards a 1.618 extension target at 1.0368, but sustained weakness could see the 1.0288 support level tested. Only regaining ground above 1.0500 would

question the dominant bear tone.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0513 GMT	0.8442	112.22	1.3466	0.8933
3 Day Trend	Range	Bullish	Bearish	Bullish
Weekly Trend	Bullish	Bearish	Bullish	Bullish
200 day ma	0.8642	121.23	1.4324	0.8753
3rd Resistance	0.8491	114.16	1.3677	0.9108
2nd Resistance	0.8476	113.40	1.3580	0.9000
1st Resistance	0.8464	112.73	1.3500	0.8952
Pivot*	0.8434	111.63	1.3417	0.8875
1st Support	0.8392	111.78	1.3410	0.8904
2nd Support	0.8376	111.41	1.3342	0.8850
3rd Support	0.8317	111.28	1.3260	0.8738

Intraday EUR/GBP: Thursday's inside day keeps the recovery off Wednesday's low at 0.8376 intact, but is struggling to test resistance at 0.8476. A break above there is required to strengthen the bull wave off the July 13 higher low at 0.8317, opening 0.8491 and threatening to retest the 0.8531 high. Bears require a break below 0.8376 to regain control of the near-term, exposing 0.8317.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Thursday's strong recovery off 110.02 prevents the double-top measured objective at 109.46 from being met, and will look to put resistance at 112.73 under pressure. This is all that stands between the recent 113.37/40 highs, which are looking vulnerable at this stage. A break through 113.40 would confirm a higher low at 110.02, prompting further strength towards the June 3 lower reaction high at 114.16, but creating scope for longer-term gains towards 116.12. Corrective weakness will attract support while above 111.28.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Stages a corrective recovery off Thursday's low at 1.3342 as the 1.3500 resistance area comes into view. However, while 1.3500 remains intact, the dominant threat is for renewed bear pressure on the 1.3410 higher low and the 1.3342 low. A fresh wave of bull pressure is required to force a break above 1.3500, opening the 1.3580 lower high.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Thursday's powerful push above 0.8871 sets fresh two-month highs as the psychologically-important 0.9000 level becomes the immediate focus. However, scope has been created for further gains to meet congested projected targets in the 0.9100/08 area. The 0.8850 area reverts to support, and should limit corrective weakness to protect 0.8738.

Weekly chart AUD/USD trend: Bullish.

* 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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