

European Forex Technicals: USD Weakness To Continue

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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 0502 GMT	1.2996	86.98	1.5493	1.0500
3 Day Trend	Bullish	Bearish	Bullish	Range
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3283	91.11	1.5373	1.0795
3rd Resistance	1.3095	87.78	1.5700	1.0618
2nd Resistance	1.3045	87.40	1.5635	1.0565
1st Resistance	1.3029	87.06	1.5524	1.0520
Pivot*	1.2952	87.16	1.5476	1.0509
1st Support	1.2980	86.82	1.5450	1.0450
2nd Support	1.2950	86.73	1.5350	1.0394
3rd Support	1.2930	86.27	1.5295	1.0368

Intraday EUR/USD: The July 20 reaction high at 1.3029 is now the focus following Monday's push above 1.2966, which coincides with the upwave equality target. Scope has been created for a break above there, opening 1.3045 and the May 10 reaction high at 1.3095. The inverse head-and-shoulders completed in early July has a measured objective at 1.3120. The 1.2930/50 area will look to cushion weakness.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Monday's sharp setback off 87.78 keeps pivotal resistance at 88.00 firmly intact, and bear pressure is back on support at 86.82. An intraday higher low lies at 86.73, and a break below here would bring the focus back onto the July 16 reaction low at 86.27. Corrective gains look limited to the 87.40 high.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Another positive day for sterling Monday extends the recovery off the July 21 higher low at 1.5126, and the April 15 reaction high at 1.5524 is under severe pressure. A break above there is favored, prompting further gains towards 1.5635 and the 1.5700 area. The 1.5350 area provides short-term pivotal support, which is protected by 1.5450.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Resistance at 1.0565 has remained intact to prompt what appears to be a corrective setback towards support around 1.0450. A break below there is required to threaten to put the dominant bear trend back on track and expose the July 22 reaction low at 1.0394. A break above 1.0520 would lift the tone and re-open the 1.0565 high.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0524 GMT	0.8384	113.06	1.3647	0.9017
3 Day Trend	Bearish	Range	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Bullish	Bullish
200 day ma	0.8638	121.06	1.4310	0.8758
3rd Resistance	0.8465	114.16	1.3735	0.9193
2nd Resistance	0.8436	113.49	1.3700	0.9108
1st Resistance	0.8406	113.32	1.3677	0.9035
Pivot*	0.8418	112.87	1.3601	0.9002
1st Support	0.8346	112.79	1.3619	0.8975
2nd Support	0.8318	112.21	1.3585	0.8897
3rd Support	0.8300	111.60	1.3546	0.8857

Intraday EUR/GBP: The recovery off last Friday's low at 0.8318 is close to testing the key projected target at 0.8406 following Monday's recovery. A break above 0.8406 is required to alter the complexion of the near-term, leaving 0.8318 as a bear failure and creating scope for a return to the July 22 lower high at 0.8465. Failure to break above 0.8406 would prompt a return to the 0.8318 low.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's failure to attract follow through buying above 113.40 has left a bull trap at 113.49, and the doji on the daily bar suggests consolidation is due back towards support at 112.79. A break below there would expose Monday's low at 112.21, but this area should cushion weakness in order to protect last Friday's low at 111.60. Only above 113.32 would suggest retesting the 113.49 high is achievable, opening 114.16 on a break.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Extends the recovery off the July 22 reaction low at 1.3342 to force a break above 1.3632 Monday, and the focus is back on the July 20 reaction high at 1.3677. Scope has been created for a break above there towards 1.3700, and congested resistance in the 1.3735 area. Corrective setbacks should attract support while above Monday's low at 1.3546.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Monday's strength prompts trading above 0.9000 for the first time since May 13, and bulls have their eyes on the 0.9100/0.9108 projected target area. However, the strength of the uptrend off the July 6 higher reaction low at 0.8318 suggests there is scope for an equality target at 0.9193 on concerted strength. Support at 0.8975 will look to cushion corrective weakness, to protect last Friday's low at 0.8738.

Weekly chart AUD/USD trend: Bullish.

* 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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