

European Forex Technicals: CHF Finding Fresh 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 0453 GMT	1.3070	86.35	1.5623	1.0393
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3275	91.00	1.5380	1.0787
3rd Resistance	1.3150	87.19	1.5814	1.0548
2nd Resistance	1.3125	87.00	1.5700	1.0475
1st Resistance	1.3107	86.70	1.5661	1.0427
Pivot*	1.3055	86.96	1.5618	1.0455
1st Support	1.3047	86.25	1.5579	1.0374
2nd Support	1.3006	85.85	1.5548	1.0300
3rd Support	1.2969	85.25	1.5510	1.0231

Intraday EUR/USD: Thursday's strength completed a bull pennant and is within a whisker of testing key 1.3120/25 resistance area. This area incorporates the 38.2% retracement level of the 1.5145/1.1876 decline and the measured objective of an inverse head-and-shoulders base pattern, and only a fresh wave of bull pressure will manage to force a clean break above there, opening 1.3150 and 1.3200. Support lies at 1.3047, but only below the bull pennant termination low at 1.2969 would concern bulls.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: The sharp setback off Wednesday's high at 88.12 has extended into Friday's current session, and fresh seven-month lows have been set following the probe below 86.27. The main threat is for further weakness towards a downwave equality target at 85.85, but given the severity of the move, a break lower to another downside target at 85.25 is achievable. Above 86.70 is required to provide temporary respite, but the near-term pivotal resistance area around 87.00 should limit corrective upside scope.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Maintains the dominant short-term uptrend having set a fresh five-month high at 1.5661 Thursday, and is approaching the key 1.5700 resistance area. A weakening in bull momentum can be seen, so only a fresh wave of bull pressure would force a clean break through 1.5700, opening 1.5814. Weakness should be limited to the 1.5510/25 support area, which is protected by 1.5548.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Thursday's sharp setback set a fresh six-month low below 1.0394, and bear pressure is building on minor support at 1.0374. Having confirmed a lower high at 1.0640, there is scope for further

weakness towards 1.03030 and 1.0231. There is risk for an intervening correction higher towards 1.0475, but only above there would concern dominant bears.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0525 GMT	0.8358	112.97	1.3584	0.8990
3 Day Trend	Range	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	0.8629	120.85	1.4292	0.8764
3rd Resistance	0.8464	113.86	1.3715	0.9108
2nd Resistance	0.8415	113.68	1.3669	0.9070
1st Resistance	0.8393	113.22	1.3634	0.9043
Pivot*	0.8366	113.67	1.3649	0.8978
1st Support	0.8314	112.62	1.3546	0.8977
2nd Support	0.8300	112.21	1.3445	0.8943
3rd Support	0.8250	111.60	1.3419	0.8909

Intraday EUR/GBP: The recovery off Wednesday's bear trap low at 0.8314 suggests a new range floor has been set, and the Tuesday's high at 0.8415 is the next target. This high would become vulnerable on a break above 0.8393, and lies in front of the 0.8464 lower high. Only a break below 0.8314 would put near-term bears back in control, exposing 0.8250.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Extends the setback off Wednesday's high at 114.74 following the break below 113.18 Friday, but weakness is expected to be restricted to the key projected support level at 111.36. As the short-term trend is still bullish, and with support emerging at the equality target at 112.62, there is risk of a near-term base here. Regaining ground above 113.22 would prompt further gains towards 113.68/86, which protects the 114.24 lower high.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: The sharp setback off Wednesday's peak at 1.3819 extends into Friday's session, as the week's low at 1.3546 is being challenged. Failure to keep this level intact would leave 1.3819 as a significant peak, prompting further weakness towards the 1.3445 area. Regaining ground above 1.3634 and 1.3669 would provide temporary respite, but corrective upside scope looks limited.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: A recovery is underway off Wednesday's low at 0.8909 as near-term bulls attempt to regain a foothold above 0.9000, and resistance at 0.9043 is not too far away. A break above there would bring the focus back onto week's high at 0.9070, and the upside projected targets at 0.9100/08 still need to be reached. Only below 0.8943 would leave the 0.8909 low vulnerable.

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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