

European Forex Technicals: USD/JPY Bears Increase Pressure

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A DOW JONES NEWSWIRES COLUMN

LONDON (Dow Jones) Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0507 GMT	1.2641	84.96	1.5431	1.0407
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	1.3227	90.17	1.5434	1.0730
3rd Resistance	1.2785	85.50	1.5578	1.0466
2nd Resistance	1.2730	85.34	1.5540	1.0438
1st Resistance	1.2684	85.20	1.5503	1.0425
Pivot*	1.2678	85.31	1.5546	1.0375
1st Support	1.2605	84.72	1.5415	1.0385
2nd Support	1.2550	84.00	1.5350	1.0362
3rd Support	1.2490	83.45	1.5320	1.0302

Intraday EUR/USD: The short-term downtrend extends into fresh five-week lows towards the 1.2605 target Tuesday. 1.2605 represents 50% retracement of the 1.1876/1.3334 corrective rally, and there is risk of further weakness towards significant pivotal support around 1.2490. Regaining ground above 1.2730 would lift the tone, but corrective upside is limited.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The bull support line of a nine-day bear pennant continuation pattern has been breached near 84.89 Tuesday, as the focus moves to the August 11 15-year low at 84.72. The steadily depressing daily slow stochastic indicator suggests a break below 84.72 is likely, threatening a sharper bear wave towards the 83.45 area. Regaining ground above 85.20 is required to provide respite, but several pockets of resistance above there at 85.34 and 85.50 suggests corrective upside is limited.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Another bear signal emerged Tuesday following the break into fresh one-month lows below 1.5465, extending the short-term downtrend towards 1.5415 and congested daily moving average support at 1.5350. However, there is scope for a deeper setback towards 1.5320, and the more significant pivotal support level at 1.5230. Only a break above 1.5503 would provide temporary respite, but corrective strength should be limited to resistance at 1.5540.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Builds on the recovery off the August 19 reaction low at 1.0257, and resistance at 1.0425 is being tackled. Monday's higher low at 1.0302 creates room for further gains towards wave equality at 1.0438, and the bear wedge peak at 1.0466 is also within striking distance. Failure to meet 1.0438, combined with a

break below 1.0362 would question the positive near-term outlook, exposing the 1.0302 higher low.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0531 GMT	0.8195	107.37	1.3165	0.8881
3 Day Trend	Bearish	Bearish	Bearish	Range
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8569	119.32	1.4174	0.8809
3rd Resistance	0.8281	108.71	1.3295	0.8982
2nd Resistance	0.8246	108.25	1.3250	0.8945
1st Resistance	0.8210	107.80	1.3200	0.8900
Pivot*	0.8158	108.10	1.3156	0.8913
1st Support	0.8175	107.10	1.3156	0.8867
2nd Support	0.8143	106.81	1.3105	0.8835
3rd Support	0.8086	106.00	1.3073	0.8805

Intraday EUR/GBP: The recovery off Monday's low at 0.8143 is looking to test resistance in the 0.8210 area. However, the dominant short-term trend is down, and only a break above the August 20 high at 0.8246 would begin to concern bears. A push below 0.8175 would prompt a return to the 0.8143 low.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Bears are setting fresh eight-and-a-half year lows below 107.30 Tuesday, and congested downside targets at 107.10 are the immediate targets. However, with bear momentum on the increase, a break below there is likely at this stage, prompting further weakness towards the 106.81 higher low from November 2001. Only above the near-term pivotal resistance level at 108.25 would question the bearish outlook.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Resistance at 1.3250 is expected to cap the corrective recovery off Monday's low at 1.3105, before the dominant bear trend returns. A break below 1.3156 would bring the focus back onto the 1.3105 low, and with it the July 1 all-time low at 1.3073. Only a sustained break above 1.3250 would question the bearish outlook, opening 1.3295.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Weakens off Monday's high at 0.8982 as support at 0.8867 comes under scrutiny. Bulls need to keep 0.8867 intact in order to protect Monday's bear trap low at 0.8835, and regaining ground above 0.8900 would re-open the 0.8945 intraday lower high. Loss of 0.8867 would prompt a return to 0.8835 and put bears in control of the short-term, threatening further weakness towards 0.8745.

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"