

European Forex Technicals: JPY Weakness Unsustainable

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0452 GMT	1.2974	85.05	1.5490	1.0033
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bearish	Bearish
200 day ma	1.3156	89.27	1.5436	1.0642
3rd Resistance	1.3075	85.91	1.5597	1.0115
2nd Resistance	1.3034	85.23	1.5587	1.0065
1st Resistance	1.3024	85.14	1.5554	1.0039
Pivot*	1.2953	83.24	1.5491	0.9994
1st Support	1.2940	84.22	1.5471	0.9963
2nd Support	1.2920	83.75	1.5440	0.9947
3rd Support	1.2895	82.87	1.5391	0.9933

Intraday EUR/USD: Tuesday's high at 1.3034 is likely to face renewed bull pressure as the 1.3000 level is breached to the upside for the first time since Aug. 11. Resistance at 1.3075 will be the initial target, but scope has been created for further gains towards the 1.3155/80 resistance cluster this week. Support lies at 1.2940, but downside risk looks limited to the 1.2895 area.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Intervention has prompted a strong rally off Tuesday's fresh 15-year low at 82.87, and the Sep. 3 lower high at 85.23 is under threat. A bear resistance line also lies in this 85.23 area, which protects the Aug. 30 lower high at 85.91. However, JPY weakness is unsustainable and a test of support at 83.75 is likely. A break below 83.75 is required to leave the 82.87 low vulnerable.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Corrects off Tuesday's bullish outside-day high at 1.5587 to consolidate the rally off 1.5348. Key support lies in the 1.5440 area and near-term bulls will look to defend 1.5440 vigorously and prompt a return to Wednesday's session high at 1.5554. A break above there is required to re-open the 1.5587 high, threatening 1.5650.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Corrects higher off Tuesday's low at 0.9933 as parity is regained, but gains are expected to be short-lived and limited to the 1.0065 area. The prevailing trend is bearish and a return to support at 0.9963 is likely, leaving the 0.9933 low vulnerable and threatening further weakness toward the November 2009 reaction low at 0.9916.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0530 GMT	0.8380	110.18	1.2997	0.9380
3 Day Trend	Bullish	Bullish	Bearish	Bullish
Weekly Trend	Bullish	Range	Bearish	Bullish
200 day ma	0.8524	117.54	1.3994	0.8857
3rd Resistance	0.8465	111.12	1.3074	0.9500
2nd Resistance	0.8443	110.73	1.3039	0.9457
1st Resistance	0.8390	110.24	1.3021	0.9429
Pivot*	0.8360	107.64	1.2927	0.9389
1st Support	0.8325	109.35	1.2929	0.9358
2nd Support	0.8305	108.25	1.2874	0.9335
3rd Support	0.8280	107.74	1.2821	0.9313

Intraday EUR/GBP: The spotlight is on key resistance at 0.8390 following the impressive gains above 0.8300 seen this week. A break above 0.8390 would confirm a higher low at 0.8203, creating room for further gains to the July 26 lower high at 0.8465. Corrective weakness looks limited to the 0.8280 area, which is protected by 0.8305.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Pushes above 110.00 Wednesday toward resistance at 111.12, but this move is not regarded as sustainable. The prevailing downtrend will look to push the market back toward the 108.25 area, which means support at 109.35 will be facing a retest.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Attempts to regain ground above 1.3000 are underway as the recovery off Tuesday's low at 1.2874 extends. The 1.3021 upside equality target needs to be met and a break above 1.3039 is required to re-open the Sep. 10 peak at 1.3074. Failure to meet 1.3021, combined with a break below 1.2929 would put bears in control of the near-term, exposing 1.2874.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Consolidates beneath Tuesday's 25-month high at 0.9457 as the solid uptrend pauses for breath. However, downside scope should be limited to Tuesday's 0.9313 low where a 1.618 extension target also lies, and is protected by support at 0.9358. Regaining ground above 0.9429 would bring the focus sharply back to the 0.9457 peak.

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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