

European Forex Technicals: EUR/USD Pausing For Breath

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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 0447 GMT	1.3470	84.21	1.5831	0.9829
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3165	88.90	1.5456	1.0589
3rd Resistance	1.3590	84.89	1.5937	0.9975
2nd Resistance	1.3507	84.65	1.5866	0.9900
1st Resistance	1.3493	84.35	1.5841	0.9872
Pivot*	1.3462	84.26	1.5827	0.9847
1st Support	1.3425	84.11	1.5803	0.9817
2nd Support	1.3350	83.72	1.5788	0.9778
3rd Support	1.3305	83.60	1.5715	0.9744

Intraday EUR/USD: Stages a recovery off 1.3425 to threaten the 1.3493 lower high, and Monday's five-month high at 1.3507. 1.3507 represents the 50% Fibonacci retracement level of the dominant 1.5145/1.1876 bear wave, and while 1.3493 caps, there is scope for a correction back towards 1.3425 and 1.3350. Failure to keep 1.3493 and 1.3507 intact would highlight the strong underlying bull momentum, creating scope for further gains towards 1.3590 and the April 12 lower high at 1.3692.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Consolidates close to Monday's bear trap low at 84.11, which is likely to face a retest. A break below 84.11 would highlight the dominance of the prevailing bear trend, prompting further weakness towards a downwave equality target at 83.72. A break above 84.35 is needed to strengthen the 84.11 bear failure low, opening 84.65.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Monday's hanging man candle threatens downside consolidation off the 1.5866 high, after failing to secure a foothold above 1.5800. However, support at 1.5788 needs to be broken in order to extend the correction back towards the 1.5715 area. A break above Monday's high at 1.5866 would put bulls firmly in control of the near-term, opening the wave equality target at 1.5937.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Bear pressure is building on support at 0.9817, and is threatening to prompt a retest of last week's 30-month low at 0.9778. Loss of 0.9817 would leave Monday's high at 0.9872 as a bull failure, and the dominant bear trend would have scope to extend below 0.9778 towards projected targets at 0.9744 and 0.9625. Only a break above 0.9872 would lift the tone, opening 0.9900 and potentially 0.9975.

Weekly chart USD/CHF trend: Bearish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0521 GMT	0.8512	113.35	1.3245	0.9600
3 Day Trend	Range	Bullish	Bullish	Bullish
Weekly Trend	Bullish	Bullish	Bullish	Bullish
200 day ma	0.8516	117.12	1.3924	0.8907
3rd Resistance	0.8576	114.74	1.3296	0.9675
2nd Resistance	0.8545	114.20	1.3276	0.9644
1st Resistance	0.8515	113.77	1.3258	0.9610
Pivot*	0.8504	113.39	1.3263	0.9610
1st Support	0.8472	113.13	1.3229	0.9587
2nd Support	0.8435	112.40	1.3215	0.9550
3rd Support	0.8400	112.18	1.3175	0.9515

Intraday EUR/GBP: A near-term bear trendline is being challenged at 0.8515, and a sustained break is looking likely at this stage. Resistance at 0.8545 would become the immediate upside target, followed by a return to the Sep. 22 reaction high at 0.8576. Failure to force a break above 0.8515 would prompt more corrective downside within a bull flag/wedge pattern, exposing 0.8472 and the 0.8400 support area.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Bulls maintain control of the near-term as pressure builds on resistance at 113.77. The power behind the rally off 111.47 suggests there is scope for gains towards 114.20 and the July 28 lower reaction high at 114.74 on a concerted push higher. A break below 113.13 would put the bullish outlook on hold, prompting weakness to question the bullish outlook, exposing 112.40 and the Sep. 23 low at 112.18.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Corrective weakness is looking to test 1.3215, but downside risk should be limited to the 1.3175 area. Last Friday's rally off 1.3072 dominates the near-term, and a break above 1.3276 is required to open Monday's high at 1.3296. Short-term bulls target a break above 1.3296, to bring the focus back onto the Sep. 17 reaction high at 1.3392.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Downside consolidation is looking to put pressure on support at 0.9587, and expose the 0.9550 area. However, Monday's setback off a 26-month high at 0.9644 has maximum downside scope to 0.9515, and only a sustained break below 0.9515 would concern bulls. Regaining ground above 0.9610 would lift the tone, and prompt a return to the 0.9644 high.

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"