

European Forex Technicals: EUR/USD Heading Higher

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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 0441 GMT	1.3595	83.71	1.5834	0.9757
3 Day Trend	Bullish	Bearish	Bearish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3170	88.85	1.5460	1.0580
3rd Resistance	1.3702	84.65	1.5998	0.9878
2nd Resistance	1.3692	84.35	1.5937	0.9815
1st Resistance	1.3600	84.12	1.5895	0.9774
Pivot*	1.3521	83.97	1.5805	0.9789
1st Support	1.3555	83.65	1.5783	0.9738
2nd Support	1.3495	83.25	1.5717	0.9700
3rd Support	1.3442	83.07	1.5643	0.9625

Intraday EUR/USD: The strong upward bias is set to challenge the 1.3600 level, opening up the April 12 lower high at 1.3692. Tuesday's sustained break above 1.3507 keeps bulls in control of the near-term, setting their sights on projected resistance at 1.3702. Corrective weakness will attract support while above 1.3495, and only below there would concern bulls.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: The support area at 83.65 is being challenged following Tuesday's push below 84.11, and prospects for further weakness towards 83.25 are high. The 15-year low at 82.87 set in mid-Sep. is also vulnerable against the powerful prevailing bear trend. Former range lows at 84.12 now revert to resistance, and only a sustained push above 84.35 would lift the tone.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Direction has become choppy following the sharp setback off 1.5895 Tuesday. Resistance at 1.5895 protects the Aug. 6 reaction high at 1.5998, and a break below 1.5783 is required to bring the focus back onto support at 1.5717. Only a break above 1.5895 would annul the bearish outlook, opening 1.5937.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Threatens more downside into fresh 30-month lows below 0.9738 following Tuesday's bearish outside day, and another sharp move to the 1.618 extension target at 0.9625 is on the cards. The key March 2008 reaction low at 0.9572 lies just below there. Above 0.9774 would provide temporary relief, but only a sustained break above 0.9815 would lift the tone, opening 0.9878.

Weekly chart USD/CHF trend: Bearish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0514 GMT	0.8587	113.80	1.3246	0.9680
3 Day Trend	Bullish	Bullish	Range	Bullish
Weekly Trend	Bullish	Bullish	Bullish	Bullish
200 day ma	0.8517	117.08	1.3918	0.8915
3rd Resistance	0.8700	115.50	1.3392	0.9791
2nd Resistance	0.8630	114.74	1.3338	0.9735
1st Resistance	0.8603	114.20	1.3296	0.9686
Pivot*	0.8556	113.54	1.3240	0.9640
1st Support	0.8515	113.50	1.3215	0.9659
2nd Support	0.8468	112.89	1.3188	0.9590
3rd Support	0.8400	112.67	1.3167	0.9558

Intraday EUR/GBP: Resistance at 0.8603 is under threat after completing a short-term bull flag Tuesday, and scope exists for further strength to 0.8630. However, 0.8630 marks the upper boundary of a three-month bear flag, which suggests significant resistance is likely to emerge to protect the 0.8700 level. Support lies at 0.8515 to limit corrective weakness, and only a sustained break below there would concern bulls.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Tuesday's strength puts resistance at 114.20 to the test, and more gains are threatened to reach the July 28 lower reaction high at 114.74. However, only a break above 114.74 would suggest a significant long-term basing pattern is being formed. A break below support at 113.50 would prompt weakness to 112.89 and Tuesday's bullish outside day low at 112.67.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Resistance at 1.3296 has become significant following Tuesday's setback, and a return to support at 1.3167 is favoured. Keeping 1.3296 intact suggests a bull failure is being formed, although a break below 1.3167 is required to provide confirmation. Only a break above 1.3296 would put bulls in control of the near-term, opening the Sep. 17 reaction high at 1.3392.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Bulls regain control of the near-term as resistance at 0.9686 is being challenged. Tuesday's bullish outside day low at 0.9558 has been confirmed as a bear failure, and there is scope for further gains into fresh 30-month highs above 0.9686 towards an equality target at 0.9735, ahead of 0.9791 and the July 2008 reaction high at 0.9847. Corrective weakness is limited to the 0.9590 area, protecting the 0.9558 low.

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"