

European Forex Technicals: JPY Strength To Extend

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 0509 GMT	1.3596	83.54	1.5849	0.9780
3 Day Trend	Bullish	Bearish	Range	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3174	88.80	1.5463	1.0572
3rd Resistance	1.3896	84.35	1.5895	0.9901
2nd Resistance	1.3702	84.12	1.5875	0.9878
1st Resistance	1.3692	83.81	1.5855	0.9815
Pivot*	1.3613	83.77	1.5808	0.9771
1st Support	1.3555	83.25	1.5815	0.9760
2nd Support	1.3495	83.07	1.5764	0.9734
3rd Support	1.3442	82.87	1.5717	0.9700

Intraday EUR/USD: The strong upward bias is set to challenge 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. A fresh wave of bull pressure is required to force a break above 1.3702, creating scope for the 1.3896. 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 83.25 is likely to be tested following Wednesday's push below 83.68, and prospects for further weakness towards the mid-Sept. 15-year low at 82.87 are high. The powerful prevailing bear trend is showing no natural signs of abating, and a 1.618 extension target at 82.68 is within reach. 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 as the action falls within a bull consolidation pennant, and the upper boundary line around 1.5855 is under threat. A break above 1.5855 would open 1.5875 and Tuesday's reaction high at 1.5895, which protects the Aug. 6 reaction high at 1.5998. Weakness will attract support while above 1.5815, and only a break below 1.5764 would concern bulls.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: A corrective rally is underway towards 0.9815 following the recovery off Wednesday's marginal low at 0.9734. However, upside scope appears limited to this 0.9815 resistance area, which protects Tuesday's lower high at 0.9878. Loss of 0.9760 would bring the focus back onto the 0.9734 low, and dominant bears still have the 1.618 extension target at 0.9625 in their sights.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0528 GMT	0.8578	113.53	1.3296	0.9668
3 Day Trend	Bullish	Bearish	Bullish	Bullish
Weekly Trend	Bullish	Bullish	Bullish	Bullish
200 day ma	0.8518	117.05	1.3912	0.8922
3rd Resistance	0.8727	114.23	1.3392	0.9735
2nd Resistance	0.8700	114.00	1.3350	0.9728
1st Resistance	0.8644	113.75	1.3333	0.9711
Pivot*	0.8616	113.92	1.3301	0.9696
1st Support	0.8571	112.89	1.3240	0.9640
2nd Support	0.8515	112.67	1.3188	0.9590
3rd Support	0.8468	112.45	1.3167	0.9558

Intraday EUR/GBP: Three-month bear flag resistance at 0.8644 has sparked a setback as support at 0.8571 is under threat. For now, the setback is merely consolidating the rally off Tuesday's higher low at 0.8468, and should be limited to the 0.8515 area. A break above 0.8644 is required to put bulls back in charge of the near-term, opening 0.8700.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Suffers a significant setback off 114.23 Thursday to probe below 113.48, and Tuesday's low at 112.67 is likely to be tested. However, backup support lies at 112.45 to provide a limit for downside scope, and only a sustained break below 112.45 would concern bulls. Regaining ground above 114.00 is required to re-open the 114.23 high.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: The main focus is on testing the Sept. 17 reaction high at 1.3392 as the recovery off the Sept. 24 higher low at 1.3072 extends. However, a break above 1.3350 is required to open 1.3392, but waning bull momentum on the 60-minute chart questions whether a push above 1.3350 can be achieved. A break below 1.3240 would concern bulls and prompt weakness to Tuesday's low at 1.3167.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: While support at 0.9640 holds, bulls remain in control for a recovery back towards the 0.9711 lower high. Wednesday's 30-month peak at 0.9728 lies just beneath an upside equality target at 0.9735, and a fresh wave of bull pressure is required to open 0.9791 and the July 2008 reaction high at 0.9847. A break below 0.9640 would leave 0.9728 as a near-term bull failure, prompting weakness towards the 0.9590 higher 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"