

European Forex Technicals: USD/CHF Set For More Record Lows

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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 0500 GMT	1.3919	82.88	1.5878	0.9624
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3204	88.53	1.5482	1.0530
3rd Resistance	1.4053	83.65	1.5955	0.9738
2nd Resistance	1.4000	83.34	1.5938	0.9710
1st Resistance	1.3949	83.16	1.5914	0.9685
Pivot*	1.3893	82.99	1.5895	0.9633
1st Support	1.3860	82.75	1.5819	0.9599
2nd Support	1.3799	82.60	1.5795	0.9570
3rd Support	1.3745	82.25	1.5754	0.9500

Intraday EUR/USD: The psychologically-important 1.4000 level is now within striking distance following Wednesday's push through 1.3900. Bulls have their eyes on the 1.4046/1.4053 targets, based on wave equality and a two-thirds retracement of the 1.5145/1.1876 decline, respectively. Initial support lies at 1.3860, but only below Wednesday's low at 1.3799 would question the bullish outlook.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Having pierced 82.87 Wednesday, bears will look to extend the move into fresh 15-year lows below 82.75 towards 82.60 and 82.25. A downwave equality target lies at 81.74, projected off the Oct. 5 lower high at 83.99. Only a break above 83.16 would provide temporary respite, creating corrective upside scope to 83.34.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Projected support at 1.5819 needs to hold in order to maintain the uptrend off the 1.5754 higher low. Wednesday's setback off 1.5938 protects the wave equality target at 1.5955, which in turn shields the key Aug. 6 reaction high at 1.5998. Failure to hold 1.5819 would leave 1.5938 as a near-term bull failure, suggesting further weakness back to the 1.5754 area is to be expected.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Dominant bears are likely to extend the push into record lows towards 0.9570, following Wednesday's push below 0.9642. Downside targets below 0.9570 lie at 0.9500 and a downwave equality target at 0.9486. Regaining ground above 0.9685 is required to provide temporary respite, but corrective upside scope is limited to the 0.9710 area.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0527 GMT	0.8773	115.41	1.3407	0.9841
3 Day Trend	Bullish	Bullish	Range	Bullish
Weekly Trend	Bullish	Bullish	Bullish	Bullish
200 day ma	0.8529	116.94	1.3885	0.8962
3rd Resistance	0.8888	116.25	1.3468	1.0000
2nd Resistance	0.8840	116.06	1.3435	0.9907
1st Resistance	0.8807	115.67	1.3420	0.9847
Pivot*	0.8744	115.28	1.3375	0.9753
1st Support	0.8715	114.67	1.3323	0.9780
2nd Support	0.8685	114.31	1.3305	0.9757
3rd Support	0.8628	113.74	1.3264	0.9725

Intraday EUR/GBP: Bulls have regained control of the near-term following Wednesday's push above 0.8726, and the May 7 lower high at 0.8807 is the immediate objective. Having negated a bearish outside day reversal, bull momentum is on the increase, creating room for further gains towards 0.8840 and the 1.618 Fibonacci extension target at 0.8888. Corrective weakness will attract support while above 0.8715, but downside risk is limited.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: The short-term uptrend is expected to extend above 115.67 to meet a wave equality target at 116.06 Thursday. Another wave equality target has been created at 116.25, but upside scope cannot be ruled out for 116.59 and 116.92 for this calendar week. Only a break below 114.67 would question the bullish outlook, exposing 113.74.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Pressure is building on resistance at 1.3420 as the upswing off Wednesday's low at 1.3323 looks to bring Monday's bearish outside day reversal peak at 1.3468 back into focus. A sustained break above 1.3420 is required to open 1.3468, creating longer-term bullish implications of further gains towards 1.3700 next week. Failure to break through 1.3420, combined with a break below 1.3323 would put bears back in control of the near-term, exposing Tuesday's low at 1.3264.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: The July 2008 reaction high at 0.8847 is under severe bull pressure Thursday, and bulls are on the verge of setting fresh 27-year highs towards the January 1983 reaction high at 0.9907. The main threat is to test parity for the first time since August 1982; a feat due to be achieved by the end of the week should upside momentum continue at its current pace. Only a break below 0.9757 would delay the bullish outlook.

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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