

European Forex Technicals: EUR/USD To Test 1.4030 High

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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 0454 GMT | 1.3971 | 81.78 | 1.5826 | 0.9549 |
| 3 Day Trend | Bullish | Bearish | Range | Bearish |
| Weekly Trend | Bullish | Bearish | Bullish | Bearish |
| 200 day ma | 1.3232 | 88.27 | 1.5498 | 1.0494 |
| 3rd Resistance | 1.4030 | 82.38 | 1.5966 | 0.9630 |
| 2nd Resistance | 1.4012 | 82.13 | 1.5914 | 0.9601 |
| 1st Resistance | 1.3987 | 82.01 | 1.5875 | 0.9580 |
| Pivot* | 1.3879 | 81.92 | 1.5833 | 0.9616 |
| 1st Support | 1.3930 | 81.66 | 1.5785 | 0.9546 |
| 2nd Support | 1.3906 | 81.37 | 1.5755 | 0.9486 |
| 3rd Support | 1.3838 | 80.85 | 1.5671 | 0.9425 |

Intraday EUR/USD: Tuesday's strength has spilled over into Wednesday's session, as Monday's high at 1.4012 comes within striking distance. Tuesday's sharp reversal off the 1.3775 low is likely to mark a significant low and last week's eight-month high at 1.4030 is also vulnerable. Meeting key upside targets in the 1.4046/53 is now back on the agenda. Corrective weakness will attract support while above 1.3838.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: bears are back in control following the setback off 82.38 and support at 81.66 is under threat. 82.38 has already been confirmed as a bull failure and a break below 81.66 would bring the focus back onto Monday's 15-year low at 81.37. Longer-terms bears still have the April 1995 major reaction low at 79.92 in their sights. Only regaining ground above 82.13 would question the bearish outlook, opening the 82.38 high.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: the recovery off 1.5755 is looking to extend to challenge resistance at 1.5875. However, a break above the 1.5914 high is required before enhancing thoughts of leaving 1.5755 as a significant low and creating room for further gains to the Oct. 8 high at 1.5966. Failure to keep 1.5755 intact would put bears in control of the near-term, exposing the Sep. 21 reaction low at 1.5671.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: the powerful bear trend is back with a vengeance and fresh all-time lows toward 0.9486 are expected for Wednesday's session. Tuesday's weakness completed a three-day bear wedge pattern and projected support at 0.9486 is a downwave equality target. A deeper objective lies at 0.9425. Corrective strength will have to break through resistance at 0.9601 and 0.9630 in order to question the bearish outlook.

Weekly chart USD/CHF trend: Bearish.

| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0521 GMT | 0.8821 | 114.26 | 1.3348 | 0.9858 |
| 3 Day Trend | Bullish | Range | Bearish | Bullish |
| Weekly Trend | Bullish | Bearish | Range | Bullish |
| 200 day ma | 0.8536 | 116.83 | 1.3866 | 0.8997 |
| 3rd Resistance | 0.8900 | 115.30 | 1.3468 | 1.0000 |
| 2nd Resistance | 0.8888 | 115.00 | 1.3416 | 0.9917 |
| 1st Resistance | 0.8842 | 114.75 | 1.3360 | 0.9886 |
| Pivot* | 0.8775 | 113.60 | 1.3336 | 0.9835 |
| 1st Support | 0.8770 | 113.76 | 1.3315 | 0.9828 |
| 2nd Support | 0.8730 | 113.35 | 1.3267 | 0.9796 |
| 3rd Support | 0.8698 | 112.86 | 1.3167 | 0.9767 |

Intraday EUR/GBP: the short-term uptrend is back following Tuesday's bullish outside day and gains are expected to force a break above resistance at 0.8842. Upside targets at 0.8888 and 0.8900 are the immediate focus; the former representing a 1.618 Fibonacci extension target. Corrective weakness should be limited to the 0.8770 area, although only below Tuesday's low at 0.8698 would concern bulls.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: the recovery off Tuesday's low at 112.86 is extending in Wednesday's session towards 114.75, although upside risk looks limited to resistance in the 115.00 area. While 115.00 remains intact, there is a threat of renewed bear pressure back toward the 113.35, protecting the 112.86 low. Only a sustained break above 115.00 would lift the tone, opening 115.30 and the Oct. 7 reaction high at 115.68.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: recovers off 1.3267, but upside risk is likely to be limited to resistance at 1.3416. The main threat is for a break back below 1.3315 bringing the 1.3267 low back into the picture and threatening to confirm a bull failure at the Oct. 8 peak at 1.3495. Regaining ground above 1.3416 would defer the bearish outlook, opening 1.3468.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: the focus is back on last week's 28-year high at 0.9917, following Tuesday's recovery off 0.9767. A break through 0.9917 would extend the powerful uptrend toward the psychologically-important 1.0000 level and a wave equality target lies above there at 1.0085. Only below 0.9796 would suggest more consolidation is needed, exposing 0.9767 and the Oct. 8 low at 0.9710.

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, NDJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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