

European Forex Technicals: EUR Weakness Likely 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 0500 GMT	1.3892	81.26	1.5946	0.9623
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3255	88.06	1.5512	1.0466
3rd Resistance	1.4006	82.01	1.6104	0.9677
2nd Resistance	1.3975	81.75	1.6058	0.9655
1st Resistance	1.3942	81.55	1.5995	0.9643
Pivot*	1.4025	81.32	1.6020	0.9559
1st Support	1.3862	80.88	1.5915	0.9560
2nd Support	1.3838	80.00	1.5900	0.9485
3rd Support	1.3775	79.92	1.5885	0.9463

Intraday EUR/USD: Suffers a significant setback off 1.4161, and Monday's weakness is looking to extend the move towards the Oct. 12 low at 1.3775. A downwave equality target projected off 1.4006 also highlights the 1.3775 area, suggesting weakness will attract support around 1.3775. Regaining ground above 1.3942 is required to provide relief, although only above 1.4006 would lift the tone.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Bear pressure is still threatening to force a break below last week's fresh 15-year low at 80.88. A successful break would extend the strong bear trend towards the psychologically-important 80.00 level, which lies close to the April 1985 all-time low at 79.92. Corrective gains are being capped at 81.55, and only a break above there would lift the tone, opening 81.75.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: The sharp setback off 1.6104 is spilling into Monday's session as support at 1.5915 looks set to be retested. However, a support cluster between 1.5885 and 1.5900 will look to limit the downside threat, before staging a recovery back towards the current session high at 1.5995. Regaining ground above 1.6058 is required to re-open Friday's eight-month high at 1.6104. Failure to hold onto support at 1.5885 would concern bulls, prompting further weakness towards 1.5809.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Builds on the recovery off the all-time low at 0.9463, and is threatening the 0.9643 high. A break through 0.9643 is expected at this stage, prompting further gains to meet a 1.618 Fibonacci extension target at 0.9655, but with scope for 0.9677 and 0.9728 on concerted strength. Only a break below 0.9560 would negate the bullish outlook, bringing the focus back onto the 0.9463/0.9485 lows.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0521 GMT	0.8711	112.74	1.3363	0.9856
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Range	Bearish	Range	Bullish
200 day ma	0.8543	116.75	1.3852	0.9024
3rd Resistance	0.8817	114.00	1.3456	0.9939
2nd Resistance	0.8792	113.75	1.3411	0.9883
1st Resistance	0.8765	113.03	1.3395	0.9864
Pivot*	0.8751	114.01	1.3414	0.9920
1st Support	0.8698	112.30	1.3335	0.9820
2nd Support	0.8650	111.97	1.3293	0.9797
3rd Support	0.8628	111.47	1.3267	0.9767

Intraday EUR/GBP: Bears remain in control of the near-term to put the Oct. 12 low at 0.8698 under threat. This setback is extending the move off last week's near six-month high at 0.8838, and more weakness to the short-term pivotal support level at 0.8650 is on the cards. Regaining ground above 0.8765 is required to provide respite, but only above 0.8792 would concern bears.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Monday's lurch to the downside extends the setback off 115.68, and exposes the wave equality target at 111.97. The loss of 112.86 confirms significant resistance at 114.79, creating scope for further weakness to 111.47 and the Sept. 16 low at 110.65. Regaining ground above 113.03 would provide temporary respite, but corrective upside scope is limited.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The bear wave off Friday's high at 1.3480 is likely to renew pressure on support at 1.3335. Downside targets at 1.3293 and the Oct. 12 low at 1.3267 are expected to be reached, threatening a significant break lower towards 1.3167 and the Sept. 24 reaction low at 1.3072. Only a break above 1.3411 would lift the tone, confirming a near-term bear failure and re-opening the 1.3480 high.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: Key support at 0.9820 is being challenged following the sharp setback off Friday's 28-year high at 1.0005. However, a break below 0.9820 is required to expose the downwave equality target at 0.9797, and would create scope for the Oct. 12 low at 0.9767. Failure to force a break below 0.9820 would keep the dominant uptrend intact, prompting a return to resistance at 0.9939.

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"