

European Forex Technicals: EUR/USD To Build On Recovery

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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 0449 GMT	1.3917	81.44	1.5877	0.9613
3 Day Trend	Bullish	Bearish	Bearish	Range
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3262	88.00	1.5516	1.0457
3rd Resistance	1.4095	82.00	1.6040	0.9728
2nd Resistance	1.4048	81.75	1.5975	0.9650
1st Resistance	1.4005	81.55	1.5940	0.9625
Pivot*	1.3923	81.25	1.5912	0.9595
1st Support	1.3885	81.13	1.5837	0.9578
2nd Support	1.3858	80.88	1.5755	0.9558
3rd Support	1.3830	80.00	1.5671	0.9541

Intraday EUR/USD: the recovery off Monday's low at 1.3830 will look to put the short-term pivotal resistance level at 1.4005 back under threat. With support lying at 1.3885 and 1.3858 to protect the 1.3830 low, a break above 1.4005 would confirm 1.3830 as a bear failure low, and prompt gains to the 1.4095 area. Only a break below 1.3830 would put bears in control of the near-term, exposing 1.3775, but creating scope for 1.3675.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: remains trapped in a range between 81.75 and last week's 15-year low at 80.88. The overall tone will remain bearish whilst 81.75 caps and the wider dominant bear trend will look to test the range low at 80.88. A successful break below 80.88 would expose the psychologically-important 80.00 level, which lies close to the April 1985 all-time low at 79.92. A sustained break above 81.75 would spark a corrective rally toward the 82.00 area, but upside scope is limited.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: the sharp setback off 1.6104 is looking to extend as support at 1.5837 is set for a retest. Resistance to prices above 1.6000 is increasing and while 1.5940 caps the upside, the main threat is for a break below 1.5837, exposing the Oct. 12 reaction low at 1.5755. Loss of 1.5837 would also create a downwave equality target close to the Sep. 30 low at 1.5671. Regaining ground above 1.5975 is required to lift the tone, opening 1.6040.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: stages a recovery off 0.9541 to put the 0.9618/0.9625 resistance area under pressure, which protects Monday's peak at 0.9650. However, conflicting signals suggest a period of non-directional ranging is likely between 0.9650 and 0.9525 for Tuesday's session. A break through 0.9650 is required to put bulls in control of the near-term, opening the Oct. 12 high at 0.9728.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0522 GMT	0.8766	113.37	1.3382	0.9871
3 Day Trend	Range	Bearish	Range	Range
Weekly Trend	Range	Bearish	Range	Bullish
200 day ma	0.8546	116.72	1.3847	0.9033
3rd Resistance	0.8838	114.33	1.3495	1.0005
2nd Resistance	0.8817	113.90	1.3475	0.9960
1st Resistance	0.8807	113.70	1.3415	0.9894
Pivot*	0.8758	113.21	1.3361	0.9878
1st Support	0.8739	113.00	1.3362	0.9825
2nd Support	0.8730	112.40	1.3345	0.9800
3rd Support	0.8706	111.97	1.3306	0.9767

Intraday EUR/GBP: recovers strongly off 0.8706 Tuesday to re-open resistance at 0.8807. However, the Oct. 13 peak at 0.8838 is not expected to be tested during Tuesday's session. While 0.8807 caps, there is risk for weakness back to the 0.8739 low, protecting 0.8706.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: stages a recovery off Monday's 112.40 low, but significant resistance lies at 113.90 and 114.33 to limit the scope for corrective gains. The main threat is for a break back below 113.00 to bring the focus back onto the 112.40 low, exposing the downwave equality target at 111.97. Only a break above 114.33 would negate the bearish outlook.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: remains trapped in a bull pennant consolidation pattern between 1.3264 and 1.3495 and more directionless action is expected for Tuesday's session. If there is a slight skew, it will be to the upper-half of the range, where the pennant resistance line at 1.3475 lies. Breaking out of the pennant to the upside would create scope for a strong rally to 1.3635. Support lies at 1.3345 to protect Monday's 1.3306 low.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: the recovery off Monday's low at 0.9800 is being questioned following the sharp setback off 0.9960 and the 0.9825 support area is all there is to protect the 0.9800 low. Yet as the 0.9800 low has been confirmed as a bear failure, there is hope for a recovery back to Tuesday's session high at 0.9960, which lies in front of the last Friday's 28-year high at 1.0005. Only a break below 0.9800 would put bears in control of the near-term, exposing 0.9767 and 0.9709.

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"