

## European Forex Technicals: USD To Regain Some Poise

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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 0455 GMT	1.3951	81.21	1.5724	0.9674
3 Day Trend	Bearish	Bearish	Bearish	Range
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	1.3280	87.80	1.5523	1.0434
3rd Resistance	1.4161	81.93	1.5877	0.9845
2nd Resistance	1.4051	81.70	1.5825	0.9758
1st Resistance	1.4005	81.38	1.5788	0.9717
Pivot*	1.3948	81.06	1.5763	0.9657
1st Support	1.3895	80.71	1.5685	0.9635
2nd Support	1.3872	80.84	1.5649	0.9611
3rd Support	1.3824	80.00	1.5585	0.9574

Intraday EUR/USD: Significant resistance at 1.4051 protects the Oct. 15 peak at 1.4161, and the focus is back on Thursday's low at 1.3872. A potential head-and-shoulders top formation appears to be forming on the 60-minute chart, and a break below the neckline around 1.3895 would prompt a deeper setback to 1.3824. However, a measured move from the neckline would create scope for a 174-pip setback to 1.3721 close to Wednesday's low at 1.3697. Only a sustained break above 1.4005 would re-open 1.4051.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Bears remain in control as 81.38 caps the upside, and a retest of support at 80.91 is expected. Wednesday's fresh 15-year low at 80.84 is also vulnerable, and the dominant bear trend is clearly prevailing, threatening to expose the psychologically-important 80.00 level. The April 1995 all-time low at 79.82 is the main bear objective. Regaining ground above 81.38 on a sustained basis would provide respite, but corrective upside scope is limited to Tuesday's high at 81.93.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: The setback off Wednesday's high at 1.5877 is set to extend, as bear pressure piles on the week's low at 1.5649. Prospects of a break below 1.5649 have increased, exposing 1.5585 but creating scope for the pivotal 1.5500 support area. Keeping 1.5649 intact would suggest more lateral consolidation is needed, with 1.5877 marking the range ceiling.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Extends the lateral consolidation phase off Tuesday's 0.9758 peak, and the immediate threat is to the key 0.9635/45 support area. A break below 0.9635 would leave Friday's current session high at 0.9717 stranded, and prompt further weakness towards 0.9611 and Wednesday's low at 0.9574. Keeping 0.9635 intact would aid recovery hopes, but a fresh wave of bull pressure is required to force a break through 0.9717, opening the key 0.9758 high.

Weekly chart USD/CHF trend: Bearish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0526 GMT	0.8877	113.23	1.3499	0.9835
3 Day Trend	Bullish	Bearish	Bullish	Bullish
Weekly Trend	Bullish	Bearish	Bullish	Bullish
200 day ma	0.8553	116.60	1.3834	0.9055
3rd Resistance	0.8960	113.94	1.3620	1.0005
2nd Resistance	0.8907	113.66	1.3605	0.9971
1st Resistance	0.8894	113.50	1.3533	0.9894
Pivot*	0.8851	113.34	1.3464	0.9801
1st Support	0.8847	112.76	1.3442	0.9796
2nd Support	0.8824	112.39	1.3420	0.9742
3rd Support	0.8805	111.92	1.3386	0.9662

Intraday EUR/GBP: Consolidates beneath a key resistance level at 0.8907, and there is room for a corrective setback below 0.8847 towards 0.8824. However, weakness will attract support while above 0.8805, which limits downside scope for Friday's session. A break above 0.8894 would bring the focus back onto the 0.8907 high, while a 21-month bear resistance line lies. A fresh wave of bull pressure is required to force a break through 0.8907, opening 0.8960.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Resistance is likely to emerge in the 113.50/66 area to cap the rally off 112.76, and send the market back to Friday's current session low at 112.76. The main threat is to deepen consolidation of the 111.58/113.94 rally, exposing support at 112.39 and 111.92 which protect Wednesday's reaction low at 111.58. Regaining ground above 113.66 is required to bring Thursday's bearish doji high at 113.94 back into the picture.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Bulls remains in control after completing a 13-day symmetrical triangle, and Thursday's high at 1.3533 is looking vulnerable. A break above 1.3533 would extend the uptrend towards 1.3605 and 1.3620, and there is scope for the 1.3700 target for the coming sessions. Only a reversal below 1.3386 would concern bulls, which is protected by 1.3420.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: The recovery off 0.9742 is set to test resistance at 0.9894, as the dominant uptrend looks to strengthen Tuesday's low at 0.9662. A break above 0.9894 is expected to prompt further gains to meet the 0.9971 wave equality target, and have a crack at the Oct. 15 28-year high at 1.0005. Only a break below 0.9742 would negate the bullish threat, exposing the 0.9662 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"

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Data provided by CQG International Ltd.

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