

European Forex Technicals: USD Upside Gathering Pace

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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 0508 GMT	1.3829	81.62	1.5836	0.9854
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Range	Bearish	Bearish	Bullish
200 day ma	1.3300	87.61	1.5530	1.0420
3rd Resistance	1.3982	82.38	1.6000	0.9955
2nd Resistance	1.3925	82.00	1.5900	0.9933
1st Resistance	1.3878	81.77	1.5861	0.9894
Pivot*	1.3889	81.24	1.5798	0.9810
1st Support	1.3800	81.32	1.5811	0.9839
2nd Support	1.3775	81.10	1.5775	0.9800
3rd Support	1.3697	80.89	1.5694	0.9750

Intraday EUR/USD: Extends the setback off 1.4080 to put the 1.3800 level under pressure, and bears have the minimum objective at 1.3775 in their sights. However, the significant bull failure at Monday's 1.4080 high suggests there is scope for downside towards the Oct. 20 reaction low at 1.3697. Regaining ground above 1.3878 would provide temporary respite, but resistance at 1.3925 will look to limit corrective gains.

Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Key resistance in the 82.00 area is likely to be challenged, as upside momentum builds on the recovery off Monday's fresh 15-year low at 80.41. However, a fresh wave of USD bull pressure is required to force a break through 82.00, which protects 82.38. Loss of 81.32 would prompt a setback towards 81.10 and 80.89.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: The 1.5900 resistance level has become pivotal, and is in line for a test Wednesday. However, a fresh wave of bull pressure is required to force a sustained break through 1.5900, creating scope for the 1.6000 level. Bears will look to defend 1.5900 resolutely, and a break below 1.5811 would expose 1.5775, but threaten a deeper setback towards 1.5694.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: The strong short-term uptrend is likely to extend to meet its 0.9894 wave equality target. However, given the powerful bull momentum, there is room for targets at 0.9933 and 0.9955. Corrective weakness has scope to the 0.9750 area, but downside risk is limited.

Weekly chart USD/CHF trend: Bullish.

second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0533 GMT	0.8729	112.91	1.3625	0.9731
3 Day Trend	Bearish	Bearish	Range	Bearish
Weekly Trend	Range	Range	Bullish	Range
200 day ma	0.8562	116.49	1.3828	0.9079
3rd Resistance	0.8825	113.94	1.3700	0.9929
2nd Resistance	0.8799	113.55	1.3688	0.9870
1st Resistance	0.8752	113.28	1.3651	0.9830
Pivot*	0.8792	112.83	1.3625	0.9866
1st Support	0.8720	112.42	1.3595	0.9692
2nd Support	0.8698	111.92	1.3545	0.9662
3rd Support	0.8665	111.57	1.3495	0.9632

Intraday EUR/GBP: Support at 0.8720 is being challenged following Tuesday's sharp setback, and the recent bull pennant low at 0.8698 is being targeted. However, backup support lies at 0.8665, which will look to relieve the downside pressure. Corrective upside scope looks limited to the 0.8825 area.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Remains subdued, but with a bearish bias following the setback off 113.28, and pressure is expected to challenge Tuesday's low at 112.42. A break below 112.42 would increase the downside momentum, exposing the Oct. 20 low at 111.57 and creating room for the psychologically-important 110.00 area in the coming sessions. Resistance lies at 113.28, and only a sustained break above there would test flag resistance at 113.55, and the Oct. 21 high at 113.94.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Weakness to 1.3595 and 1.3545 is threatened as the significance of the 1.3700 resistance level continues to emerge. The setback off Tuesday's marginal eleven-week high at 1.3688 needs to meet the minimum target at 1.3595 in order to maintain the threat of a serious attempt at creating a top, and prompting a return to Tuesday's low at 1.3545. Failure to meet 1.3595, combined with a break above 1.3651 would put bulls in control, opening 1.3688 and 1.3700.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: The focus of attention is back to the downside as projected support at 0.9692 is expected to be met. However, there is scope for the Oct. 19 reaction low at 0.9662 as the setback off Monday's peak at 0.9976 extends, and backup support lies at 0.9632. Only above the 0.9870 intraday lower high would question the bearish outlook, opening 0.9929 and 0.9976.

Weekly chart AUD/USD trend: Range.

* 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"