

European Forex Technicals: USD Recovery Gathers Momentum

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 0607 GMT	1.3764	81.79	1.6005	0.9702
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Range	Bearish	Bullish	Bearish
200 day ma	1.3364	86.97	1.5580	1.0350
3rd Resistance	1.3900	82.75	1.6259	0.9760
2nd Resistance	1.3855	82.28	1.6183	0.9725
1st Resistance	1.3794	82.00	1.6070	0.9710
Pivot*	1.3833	81.41	1.6040	0.9656
1st Support	1.3734	81.55	1.5954	0.9674
2nd Support	1.3697	81.25	1.5900	0.9625
3rd Support	1.3637	81.10	1.5815	0.9590

Intraday EUR/USD: Euro bears are reinforcing the short-term downtrend following the push below 1.3823, and the Oct. 27 higher low at 1.3734 is under threat. There is room for a break below 1.3734 as the main threat is on challenging the key 1.3697 reaction low. It was only last week that this 1.3697 low was regarded as the base of a significant continuation pattern, but now it is looking to prevent scope for a deeper setback towards the 1.3500 area. Only above 1.3900 would suggest a return to Tuesday's high at 1.3974 is on the cards.

Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Tuesday's strength completes a bull wedge continuation pattern, and resistance at 82.00 is set for renewed pressure. Significant resistance lies at 82.00, and only a fresh wave of bull pressure would manage to force a break through, opening 82.28 and the 1.618 Fibonacci extension target at 82.75. There is room for consolidation back to the 81.25 area, but only below 81.10 would concern bulls.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: The bear wave off last week's 1.6298 peak is gathering pace following Tuesday's 1.6000 breach, and key support at 1.5900 is the immediate target. The 1.5900 level represents pivotal support, and is expected to prompt a recovery back towards 1.6070 and the intraday lower high at 1.6183. However, only above 1.6183 would suggest a return to the 1.6298 peak is possible.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Builds on the recovery off the Nov. 5 reaction low at 0.9548, and is looking to force a break above 0.9710. A wave equality target projected off Tuesday's low at 0.9590 lies at 0.9725, but there is scope for the 0.9760 area where the 50% Fibonacci retracement level of the 0.9972/0.9548 decline lies. Only a push below 0.9625 would question the bullish outlook, exposing 0.9590.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0637 GMT	0.8606	112.73	1.3365	1.0047
3 Day Trend	Bearish	Bearish	Bearish	Range
Weekly Trend	Bearish	Range	Bearish	Bullish
200 day ma	0.8575	116.17	1.3807	0.9166
3rd Resistance	0.8700	113.58	1.3529	1.0184
2nd Resistance	0.8686	113.20	1.3500	1.0115
1st Resistance	0.8645	113.04	1.3450	1.0080
Pivot*	0.8617	112.43	1.3370	1.0071
1st Support	0.8590	112.23	1.3318	0.9999
2nd Support	0.8530	111.72	1.3306	0.9936
3rd Support	0.8468	111.53	1.3264	0.9893

Intraday EUR/GBP: Bears remain in control of the near-term, and a push below Tuesday's low at 0.8590 is expected. The main objective is the downwave equality target at 0.8530, which lies close to the 50% Fibonacci retracement level of the 0.8143/0.8941 rally. However, sustained weakness towards 0.8468 cannot be ruled out at this stage. Regaining ground above 0.8645 is required to provide respite, but 0.8700 is expected to limit corrective strength.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Corrective gains off Tuesday's low at 111.72 are likely to be capped beneath the 113.20 area. Tuesday's high at 113.04 has fallen short of the minimum upside target, and renewed bear pressure is favoured to bring the 111.72 low back into the picture. The wider bear threat of testing the psychologically-important 110.00 level is still valid. Only a sustained break above 113.20 would question the bearish outlook, opening 113.58 and potentially 114.30.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: The short-term bear trend is extending steadily towards 1.3306, leaving the Nov. 1 reaction high at 1.3835 stranded. Last week's close below 1.3495 put bears in control, and 1.3264 is likely to become the new range floor. Regaining ground above 1.3450 is required to provide respite, but corrective strength would struggle to regain the 1.3500 level.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Parity is being tested following Tuesday's setback protecting the 28-year high at 1.0184. An attempt at lowering the range ceiling to 1.0080 is being established, and keeping corrective gains capped beneath 1.0080 would increase the risk of a more serious setback below parity in the coming sessions. Above 1.0080 would prompt a recovery towards 1.0115, but the 1.0184 peak looks secure. Support at parity is protecting the Nov. 3 spike low at 0.9893.

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"