

European Forex Technicals: EUR/USD Downtrend To Extend

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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 0546 GMT	1.3634	82.92	1.6068	0.9837
3 Day Trend	Bearish	Bullish	Range	Bullish
Weekly Trend	Bearish	Bullish	Range	Range
200 day ma	1.3376	86.80	1.5601	1.0328
3rd Resistance	1.3777	84.00	1.6183	0.9935
2nd Resistance	1.3751	83.45	1.6120	0.9887
1st Resistance	1.3668	83.28	1.6088	0.9872
Pivot*	1.3634	82.92	1.6080	0.9827
1st Support	1.3560	82.70	1.6005	0.9810
2nd Support	1.3520	82.60	1.5986	0.9763
3rd Support	1.3500	82.30	1.5954	0.9750

Intraday EUR/USD: Relentless euro bear pressure extends the downtrend off the Nov. 4 peak at 1.4283, and Tuesday's current session low at 1.3560 is not secure. There is room for further downside below 1.3560 towards 1.3500, but Monday's weakness has negated last Friday's neutral daily candle, suggesting there is scope for a much sharper setback towards 1.3430. A break above 1.3668 is required to lift the tone, prompting a corrective recovery towards the 1.3751/1.3777 lower highs.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The lower boundary of the daily Ichimoku cloud is capping the recent uptrend at 83.28, and a consolidation phase is underway which will test support at 82.60. However, a break below 82.60 is not expected at this stage, and a return to Monday's high at 83.28 would threaten further gains towards the 83.90/84.00 projected resistance area. There is solid backup support at 82.30 should it be called into action.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: The jerky recovery off last week's low at 1.5954 can be confined within a bear flag, and Monday's weakness brings flag support at 1.6005 into the picture. Given the dominance of the recent 1.6298/1.5954 decline, bears will look to force a break below 1.6005 to expose 1.5986 and the 1.5954 reaction low, which shields the 1.5900 level. A break above 1.6120 would lift the tone, opening strong short-term resistance at 1.6183.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: The short-term uptrend is extending strongly above 0.9800 to open projected resistance at 0.9887. This 0.9887 target area is where a bear pennant resistance line would be expected, but there is room for further gains towards 0.9935 and the Nov. 1 reaction high at 0.9972. Support lies at 0.9810 and 0.9763 to limit the scope for corrective weakness.

Weekly chart USD/CHF trend: Range.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0616 GMT	0.8480	112.89	1.3402	0.9847
3 Day Trend	Bearish	Range	Range	Bearish
Weekly Trend	Bearish	Range	Bearish	Range
200 day ma	0.8572	116.05	1.3790	0.9196
3rd Resistance	0.8610	114.30	1.3532	1.0000
2nd Resistance	0.8557	113.65	1.3500	0.9955
1st Resistance	0.8512	113.23	1.3472	0.9921
Pivot*	0.8477	113.06	1.3404	0.9862
1st Support	0.8451	112.61	1.3363	0.9812
2nd Support	0.8400	112.13	1.3320	0.9760
3rd Support	0.8350	111.04	1.3230	0.9651

Intraday EUR/GBP: Last Friday's low at 0.8451 is set to face renewed pressure as the sharp setback off 0.8557 puts bears back in the driving seat. A break below 0.8451 would extend the bear wave off the Nov. 4 lower high at 0.8818 towards 0.8400, and the 1.618 Fibonacci extension target at 0.8350. The 76.4% Fibonacci retracement level of the 0.8143/0.8941 rally lies close by, at 0.8330. Monday's inside day keeps recovery scope limited, and only a sustained break above 0.8557 would question the bearish outlook, opening the 0.8610 area.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's peak at 113.65 fell short of expectations, and support at 112.61 is expected to come under bear pressure. This setback consolidates last Friday's strong recovery off 111.04, which kept the action within a six-week gently-sloping bear channel. A break below 112.61 would prompt further weakness towards 112.13, but failure to keep 112.13 intact would bring the 111.04 low back into the picture. A push above 113.23 is required to re-open the 113.65 high.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Resistance at Monday's 1.3472 high is likely to face renewed pressure following the recovery off 1.3363. This 1.3363 support level is crucial, and a break above 1.3472 is required to maintain the recovery off the Nov. 12 reaction low at 1.3230, opening 1.3532 and 1.3605. Failure to hold onto support at 1.3363 would undermine the recovery completely, and prompt a return to the 1.3230 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Support at 0.9812 is back under threat following this week's choppy action. Tuesday's weakness is looking to force a break below 0.9812 to extend the short-term corrective setback off 1.0184, exposing the 1.618 Fibonacci extension target at 0.9760. The 76.4% Fibonacci retracement level of the 0.9651/1.0184 advance also lies in this area, so only a sustained break below 0.9760 would bring the focus back onto the Oct. 27 reaction low at 0.9651. Recapturing 0.9921 would provide temporary relief, but the 1.0000 area provides a limit for corrective gains.

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"