

## 2010-11-19\_European Forex Technicals - GBP To Strengthen Vs EUR, USD

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0558 GMT	1.3637	83.33	1.6036	0.9944
3 Day Trend	Bullish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3381	86.70	1.5611	1.0316
3rd Resistance	1.3751	83.90	1.6182	1.0046
2nd Resistance	1.3710	83.79	1.6105	1.0000
1st Resistance	1.3668	83.66	1.6070	0.9973
Pivot*	1.3613	83.47	1.5995	0.9937
1st Support	1.3608	83.25	1.5985	0.9925
2nd Support	1.3585	83.03	1.5950	0.9890
3rd Support	1.3560	82.80	1.5890	0.9855

Intraday EUR/USD: builds on the recovery off the week's low at 1.3446 and is poised to push above 1.3668 towards the 1.3710 area. However, there is upside scope to 1.3751 and the 1.3766/1.3777 area before facing some significant resistance. The 1.3777 level represents the 38.2% Fibonacci retracement level of the powerful 1.4283/1.3446 downwave. The 1.3560 support area has become pivotal for the short-term and only a sustained break below there would question the positive outlook.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: support in the 83.25 area will look to cushion the current setback off 83.79. The main threat is still to the upside, despite falling shy of the 83.90 upside target, and keeping 83.25 intact would prompt a fresh wave of gains through 83.66 to retest the 83.79 high. Concerted bull pressure would force a break through the neutral daily Ichimoku cloud resistance level, also at 83.66, creating room for a strong move higher to 84.51 and 85.00. Failure to keep 83.25 intact would prompt a return to Wednesday's low at 83.03, but only below the latter would concern bulls.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: more gains are expected to test the 1.6070 upside target, following Thursday's strength. With solid support lying at 1.5950, there is potential for a forced break through 1.6070, opening the 1.6105 area and the Nov. 12 high at 1.6182. Only a sustained break below 1.5950 would question the bullish outlook, exposing 1.5890.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Thursday's strength saw parity tested for the first time since Sep. 21, and fresh bull pressure is expected to force a break higher Friday. Thursday's action left a bullish outside day and there is scope for bear flag resistance at 1.0046 and a wave equality target at 1.0057. Thursday's bear failure at 0.9855 is protected by 0.9925 and 0.9890.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0629 GMT	0.8513	113.89	1.3563	0.9867
3 Day Trend	Range	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Range	Bearish	Bearish
200 day ma	0.8570	115.95	1.3781	0.9215
3rd Resistance	0.8587	115.28	1.3700	1.0005
2nd Resistance	0.8557	114.88	1.3628	0.9955
1st Resistance	0.8551	114.30	1.3605	0.9914
Pivot*	0.8514	113.49	1.3532	0.9864
1st Support	0.8490	113.05	1.3500	0.9840
2nd Support	0.8460	112.79	1.3472	0.9775
3rd Support	0.8451	112.27	1.3386	0.9724

Intraday EUR/GBP: Thursday's definitive setback off 0.8551 keeps the action within a five-day bear pennant and more weakness is likely below 0.8490. The bear pennant support line lies at 0.8460 for Friday's current session, which protects the Nov. 12 reaction low at 0.8451. However, this 0.8451/60 support area is expected to hold Friday. Only a reversal above 0.8551/57 would negate the bearish outlook, opening 0.8587.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Thursday's push above 113.65 is likely to prompt further gains towards 114.30 and 114.88. The latter represents a wave equality target projected off Tuesday's low at 112.27 and testing the six-week gentle-sloping bear channel resistance line at 115.28 is the main objective. Corrective downside scope should be limited to the 113.05 area, protecting 112.79.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Thursday's strength through 1.3472 brings key resistance at 1.3605 into the picture. However, a break through 1.3605 is required to reach the wave equality target at 1.3628, which would keep the structure of the bull wave off the Nov. 12 reaction low at 1.3230 positive. The 1.3472 level now reverts to support and only a push back below there would concern bulls.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: resistance at 0.9914 is set to be retested as the recovery off Tuesday's low at 0.9724 is looking to extend. The 50% Fibonacci retracement level of the 1.0184/0.9724 downwave lies at 0.9955, and only a break through there would bring parity back into the picture. Loss of 0.9840 would prompt a setback towards the 0.9775 area, but only below the latter would suggest a return to the 0.9724 low is on the cards.

Weekly chart AUD/USD trend: Bearish.

\* 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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