

2010-11-23_European Forex Technicals

European Forex Technicals: USD Gains To Gather Momentum

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0552 GMT	1.3600	83.43	1.5944	0.9893
3 Day Trend	Bearish	Range	Bearish	Bearish
Weekly Trend	Range	Bullish	Bearish	Bullish
200 day ma	1.3380	86.63	1.5618	1.0308
3rd Resistance	1.3695	84.00	1.6185	1.0046
2nd Resistance	1.3665	83.79	1.6100	1.0000
1st Resistance	1.3633	83.63	1.6025	0.9941
Pivot*	1.3663	83.38	1.5980	0.9905
1st Support	1.3545	83.20	1.5900	0.9875
2nd Support	1.3500	83.03	1.5840	0.9855
3rd Support	1.3446	82.92	1.5810	0.9820

Intraday EUR/USD: Monday's negative reaction for the euro leaves a bearish outside day reversal candle, and the threat of more weakness towards the Nov. 16 reaction low at 1.3446 weighs. Monday's low at 1.3545 is vulnerable to renewed bear pressure while 1.3665 caps corrective strength, and a break below 1.3545 would extend the setback off 1.3786 to bring the 1.3446 low back into the picture. Only above 1.3695 would question the bearish outlook.

Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Remains rangebound between 83.03 and 83.63 following a series of inside days, but the main threat is to the upside. Resistance within the neutral Ichimoku cloud at 83.63 is likely to be broken, to provide a strong bull signal that would open the Nov. 18 reaction high at 83.79, and a wave equality target at 84.25. Only a break below 83.20 would concern bulls, exposing 83.03 and 82.92.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Significant resistance has emerged at 1.6100 to prompt a return to 1.5900, and the range low at 1.5840 is under threat. A break below 1.5900 would attract fresh bear pressure to expose the Nov. 16 reaction low at 1.5840, although only below the latter would put bears in control of the short-term. There is scope for corrective gains to the 1.6025 area, which protects 1.6100.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: The probe below 0.9877 strengthens the Nov. 18 reaction high at 1.0000 and creates a bearish picture for the near-term. Further weakness is expected towards the Nov. 18 reaction low at 0.9855, and a downwave equality target lies at 0.9820. To negate the bearish outlook, a break above 0.9941 is needed, suggesting a return to the 1.0000 reaction high is to be expected.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0618 GMT	0.8515	113.40	1.3419	0.9835
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Range	Range	Bearish
200 day ma	0.8570	115.91	1.3775	0.9228
3rd Resistance	0.8595	114.50	1.3550	1.0005
2nd Resistance	0.8578	114.00	1.3520	0.9957
1st Resistance	0.8550	113.54	1.3490	0.9896
Pivot*	0.8554	113.88	1.3532	0.9889
1st Support	0.8488	112.94	1.3386	0.9762
2nd Support	0.8451	112.77	1.3363	0.9724
3rd Support	0.8390	112.27	1.3335	0.9651

Intraday EUR/GBP: Significant resistance emerged at 0.8595 Monday to bring the Nov. 18 higher low at 0.8488 back into the picture. However, the extent of the setback suggests there is scope for more steady bear pressure towards the Nov. 12 reaction low at 0.8451. Only above the intraday lower high at 0.8578 would re-open the 0.8595 peak.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's bearish outside day reversal and engulfing candle dominates the tone, which brings support at 112.77 back into the picture. The seven-week gentle-sloping bear channel remains intact following the setback off 114.94, and further weakness is threatened towards the 112.27 higher low, which protects the Nov. 12 reaction low at 111.04. Only a recovery through 114.00 would provide temporary respite, but corrective upside scope is limited.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: The solid bear trend off last Friday's high at 1.3674 is extending sharply towards support lows at 1.3386 and 1.3363. However, there is scope for a deeper setback to the 76.4% Fibonacci retracement level of the 1.3230/1.3674 rally, at 1.3335, which is the last line of defence protecting the Nov. 12 reaction low at 1.3230. Corrective gains are limited to the 1.3520/1.3550 area.

Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: Tuesday's push below 0.9823 leaves Monday's high at 0.9957 stranded, and a return to the Nov. 16 reaction low at 0.9724 is expected. Failure to keep the 0.9724 low intact would confirm 0.9957 as a lower high, and extend the setback off the Nov. 5 reaction high at 1.0184 to expose the Oct. 27 reaction low at 0.9651. Keeping 0.9724 intact would defer the bearish outlook, although only regaining ground above 0.9896 would prompt a return to the 0.9957 high.

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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