

European Forex Technicals: EUR Downtrend 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 0544 GMT	1.3403	83.21	1.5819	0.9944
3 Day Trend	Bearish	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	1.3387	86.60	1.5620	1.0305
3rd Resistance	1.3575	83.85	1.5980	1.0057
2nd Resistance	1.3495	83.63	1.5950	1.0000
1st Resistance	1.3437	83.37	1.5900	0.9976
Pivot*	1.3454	83.26	1.5837	0.9933
1st Support	1.3359	83.00	1.5760	0.9900
2nd Support	1.3286	82.78	1.5649	0.9849
3rd Support	1.3230	82.40	1.5637	0.9829

Intraday EUR/USD: The downtrend has been upgraded following Tuesday's push below 1.3446, with more weakness seen towards 1.3286 and 1.3230. However, having left a significant lower high at 1.3786, the short-term downtrend off the November 4 reaction high at 1.4283 has risk of a sharp downside extension towards the wave equality target at 1.2949 in the coming sessions. Projected resistance lies at 1.3495 and 1.3575, and only above the latter would lift the tone.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Tuesday's setback off a seven-week high at 83.85 is significant, as the floor of the range at 82.78 is now the focus. The 83.85 high not only represents a bull trap, but is also a rejection of the bull signal given on breaking through Ichimoku cloud resistance at 83.63. Corrective strength is likely to be capped beneath 83.63, and only a sustained break through there would re-open the 83.85 high.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Tuesday's break below 1.5840 puts bears in control of the short-term, and fresh weakness is expected below Tuesday's low at 1.5760. The November 19 peak at 1.6095 has become a lower high, and the bear wave off the November 4 reaction high at 1.6298 is set for an extension lower towards the 1.5637/49 support cluster. 1.5637 represents the downwave equality target. Corrective gains will struggle to force a break through 1.5900, and only above 1.5950 would start questioning the bearish outlook.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's strength left a bear failure at 0.9849, and renewed bull pressure is expected on Tuesday's high at 0.9976. The November 18 reaction high at 1.0000 is also likely to be tested, and a break through there would create room for fresh two-month highs towards a wave equality target at 1.0057. The 0.9900 level will look to cushion corrective weakness, and only below 0.9849 would negate the bullish outlook.

Weekly chart USD/CHF trend: Bullish.

Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0616 GMT	0.8467	111.46	1.3331	0.9797
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8569	115.86	1.3771	0.9233
3rd Resistance	0.8595	113.00	1.3520	0.9957
2nd Resistance	0.8540	112.48	1.3465	0.9905
1st Resistance	0.8510	111.75	1.3348	0.9855
Pivot*	0.8487	111.88	1.3370	0.9773
1st Support	0.8447	110.75	1.3296	0.9780
2nd Support	0.8400	110.56	1.3230	0.9708
3rd Support	0.8352	110.00	1.3069	0.9651

Intraday EUR/GBP: Tuesday's weakness into fresh two-month lows keeps the dominant short-term bear trend intact, and more downside is expected below 0.8447. Testing the 0.8400 level is the immediate target, and there is scope for the 1.618 Fibonacci extension target at 0.8352. Backup support lies at 0.8331. Regaining ground above 0.8540 would lift the tone, but corrective upside scope is limited.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Extends the sharp setback off Monday's 114.94 peak to set a fresh two-month low at 110.75, which is likely to come under fresh bear pressure. The sharpness of the turnaround off 114.94 highlights the across-the-board euro weakness, and a deeper slide is expected towards 110.56 and the psychologically-important 110.00 level. Corrective upside is limited to the 113.00 area, which is protected by 112.48.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The decline off 1.3674 is set to extend below 1.3296 towards the November 12 reaction low at 1.3230 during Wednesday's session. However, the downtrend is not going to stop there. A break below 1.3230 is expected to attract a further wave of bear pressure towards a wave equality target at 1.3069, which lies close to the 1.3000 level. The 1.3465 area will look to limit corrective gains.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Despite the current recovery which targets the 0.9855 area, the overall picture remains negative. Tuesday's four-week low at 0.9708 is likely to come under fresh pressure, and a push below there would create scope for the October 27 reaction low at 0.9651 and the downside projection target at 0.9605. Only a push above 0.9905 would negate the bearish outlook, opening Monday's high at 0.9957.

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"