

European Forex Technicals: GBP/USD Eyes Weakness To 1.5623

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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 0557 GMT	1.3323	83.49	1.5753	0.9971
3 Day Trend	Bearish	Range	Bearish	Range
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3386	86.57	1.5621	1.0301
3rd Resistance	1.3450	84.25	1.5950	1.0068
2nd Resistance	1.3422	83.85	1.5900	1.0057
1st Resistance	1.3361	83.66	1.5833	1.0000
Pivot*	1.3347	83.38	1.5786	0.9946
1st Support	1.3284	83.40	1.5741	0.9944
2nd Support	1.3241	83.20	1.5649	0.9899
3rd Support	1.3145	82.94	1.5637	0.9849

Intraday EUR/USD: Wednesday's low at 1.3284 is likely to face a retest as the "C" wave decline looks to extend. Support at 1.3284 and the five-month bull support line at 1.3241 stand in the way of a sharp drop to the psychologically-important 1.3000 level, so some support is expected to emerge to prevent a deeper setback. Keeping 1.3284 intact would prompt a corrective recovery back towards 1.3450, creating a bear pennant/flag continuation pattern.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The ability to recover from Tuesday's low at 82.78 puts the pressure back on the daily Ichimoku cloud resistance at 83.66. Bulls are close to forcing a break above 83.66 to re-open Tuesday's reaction high at 83.85, and a daily close above 83.66 would provide a strong signal for further gains towards 84.25 and the 85.00 level. A push below 83.40 would prompt more rangebound action back to 83.20 and 82.94.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Wednesday's low at 1.5741 is back under pressure as the downtrend off the November 19 lower high at 1.6095 threatens to extend towards the 1.5623/1.5649 support cluster. Key daily long-term moving average support provides the base of the cluster at 1.5623, and a wave equality target at 1.5637, combined with the Oct. 20 reaction low at 1.5649 provides support at the upper end of the cluster. Regaining ground above 1.5833 would provide respite, but corrective upside scope is limited to the 1.5900 level.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's bear failure at 0.9849 remains intact, and pressure is building on resistance at 1.0000. A break through 1.0000 is favoured at this stage, opening a wave equality target at 1.0057, and a six-week bear flag channel resistance line lies at 1.0068. A push below 0.9944 would extend lateral consolidation

back towards 0.9899 and 0.9849.

Weekly chart USD/CHF trend: Bullish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0631 GMT	0.8458	111.22	1.3284	0.9788
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8568	115.82	1.3766	0.9239
3rd Resistance	0.8595	112.80	1.3425	0.9957
2nd Resistance	0.8530	112.50	1.3350	0.9896
1st Resistance	0.8498	111.78	1.3329	0.9855
Pivot*	0.8461	111.19	1.3290	0.9797
1st Support	0.8429	111.02	1.3230	0.9761
2nd Support	0.8400	110.32	1.3167	0.9708
3rd Support	0.8350	110.00	1.3069	0.9651

Intraday EUR/GBP: Wednesday's two-month low at 0.8429 is likely to come under fresh pressure. The dominant short-term bear trend remains intact while projected resistance at 0.8530 caps, and a break below 0.8429 would attract further weakness to 0.8400 and the 0.8350 area. Only above 0.8530 would lift the tone, opening Monday's 0.8595 high.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Stages a corrective recovery off Wednesday's two-month low at 110.32, but support at 111.02 needs to hold in order to reopen resistance at 111.78. However, corrective gains are limited to the 112.50 area. A push below 111.02 would bring the focus back onto the 110.32 low, threatening to extend the wider bear trend to the psychologically-important 110.00 level.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The decline off 1.3674 is set to put pressure on the November 12 reaction low at 1.3230. 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. Keeping 1.3230 intact would defer the bearish outlook, but the 1.3350 area will look to limit corrective strength.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Resistance at 0.9855 has become pivotal, and the main threat is for a return to Tuesday's low at 0.9708. Bears still retain control of the wider picture, and a break below 0.9708 is required to attract further weakness towards the October 27 reaction low at 0.9651 and the downside projection target at 0.9605. A push above 0.9855 would prompt a recovery towards Monday's high at 0.9957, but only above the latter would question the downside threat.

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"