

## 2010-11-26\_European Forex Technicals - USD Strength To Continue

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0520 GMT	1.3321	83.77	1.5751	0.9993
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3386	86.54	1.5621	1.0298
3rd Resistance	1.3425	85.00	1.5900	1.0073
2nd Resistance	1.3389	84.25	1.5833	1.0057
1st Resistance	1.3370	83.99	1.5794	1.0021
Pivot*	1.3345	83.57	1.5771	0.9990
1st Support	1.3284	83.55	1.5725	0.9975
2nd Support	1.3253	83.40	1.5649	0.9944
3rd Support	1.3145	83.20	1.5623	0.9899

Intraday EUR/USD: Bear pressure is piling on Wednesday's low at 1.3284, and a break lower to 1.3253 is expected as part of a "C" wave decline. A five-month bull support line stands at 1.3253, but there is risk for a sharper weakness towards 1.3145, which protects the psychologically-important 1.3000 level. A descending triangle on the 60-minute chart suggests corrective gains are limited to the 1.3370 area, shielding 1.3425.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: USD bulls are back in control after setting fresh seven-week highs, and further gains are expected to 84.25. The upside breakout from the neutral daily Ichimoku cloud resistance level at 83.61 provides the bull signal that underpins the positive outlook, and scope for the 85.00 level is expected during the coming sessions. Only a break below 83.40 would concern bulls, but corrective downside risk looks limited.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: More bear pressure is expected below 1.5725 Friday to extend the downtrend off the Nov. 19 lower high at 1.6095. The 1.5623/1.5649 support cluster is the main objective, consisting of key daily long-term moving average support at the 1.5623 base of the cluster, and a wave equality target at 1.5637, combining with the Oct. 20 reaction low at 1.5649, to provide the upper side. Only above 1.5833 would provide temporary respite, but corrective upside scope is limited to the 1.5900 level.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Closes above 1.0000 for the first time in two months, and further gains are expected to push through Thursday's high at 1.0021. A wave equality target lies at 1.0057, but bulls will have an eye on the six-week bear flag channel resistance line at 1.0073. Support lies at 0.9975 and 0.9944, but only below 0.9899 would concern bulls.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0547 GMT	0.8462	111.61	1.3315	0.9722
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8567	115.78	1.3762	0.9245
3rd Resistance	0.8530	112.62	1.3425	0.9855
2nd Resistance	0.8498	112.48	1.3390	0.9818
1st Resistance	0.8485	111.91	1.3350	0.9781
Pivot*	0.8466	111.54	1.3340	0.9807
1st Support	0.8429	111.15	1.3262	0.9675
2nd Support	0.8400	111.02	1.3230	0.9651
3rd Support	0.8350	110.32	1.3167	0.9600

Intraday EUR/GBP: Following Thursday's inside day, 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. A bear pennant continuation pattern is forming on the 60-minute chart, and only above 0.8530 would lift the tone, opening Monday's 0.8595 high.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Resistance has emerged at 111.91 to cap corrective strength, and a return to Thursday's low at 111.02 is on the cards. The prior upside wave fell short of its 112.48 expectation, and a break below 111.02 is threatened, exposing the week's low at 110.32 in the process. Only a break above 111.91 would lift the tone, opening the 112.48/62 resistance area.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The setback off Thursday's high at 1.3390 is set to extend towards the 1.3262 higher low. However, the key Nov. 12 reaction low at 1.3230 is also looking vulnerable, and a wave of fresh bear pressure would force a break into new two-month lows towards a wave equality target at 1.3069, close to the psychologically-important 1.3000 level. Keeping 1.3230 intact would defer the bearish outlook, but only a break through 1.3390 would lift the tone.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Bears are on course for a sharp push lower following the breach of 0.9708, as room for the 0.9600 target area has been created. However, with bear momentum on the increase, the wider downwave equality target at 0.9500 is also within reach during the coming sessions. Regaining ground above 0.9781 would provide temporary respite, but only above the pivotal 0.9855 resistance level would concern bears.

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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