

# European Forex Technicals: EUR/USD Target Sub-1.3000

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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 0606 GMT	1.3101	84.09	1.5545	1.0005
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3382	86.49	1.5622	1.0293
3rd Resistance	1.3285	85.00	1.5795	1.0084
2nd Resistance	1.3200	84.41	1.5740	1.0055
1st Resistance	1.3151	84.25	1.5645	1.0043
Pivot*	1.3181	84.16	1.5583	1.0012
1st Support	1.3064	84.01	1.5490	0.9961
2nd Support	1.3000	83.82	1.5355	0.9940
3rd Support	1.2949	83.60	1.5297	0.9899

Intraday EUR/USD: the failure to hold above 1.3182 keeps the short-term bear trend entrenched and the psychologically-important 1.3000 level is next in line. The 1.3000 level would be exposed on a break below Monday's two-month low at 1.3064 and there is scope for further weakness to meet a downwave equality target at 1.2949. Corrective upside scope is limited to 1.3285, which is protected by 1.3200.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: the gradual but steady uptrend continues to grind higher, reaching fresh two-months highs at 84.41. The neutral daily Ichimoku cloud has been decisively broken to provide a range floor at 83.60 and the main threat is for a break through 84.41 to open the 85.00 level. Consolidation beneath 84.01 would create room for 83.82, but downside risk is considered limited.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Monday's close beneath the cluster of daily moving averages makes the 1.5500 level the focus of attention as the bear trend accelerates. The support area stretches to 1.5490 and a fresh wave of bear pressure is required to expose the 1.618 Fibonacci extension target at 1.5355 and the Sep. 7 reaction low at 1.5297. Corrective upside scope is limited to the 1.5740 area, which is protected by 1.5645.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: recovers off Monday's corrective low at 0.9961 to threaten a return to the 1.0043 lower high. The Nov. 26 reaction high at 1.0055 lies just above there, but there is scope for further gains towards a seven-week bear flag channel resistance line lies at 1.0084 and potentially the 1.0150 measured target. Failure to keep 0.9961 intact would negate the bullish outlook, exposing 0.9940 and the Nov. 24 low at 0.9899.

Weekly chart USD/CHF trend: Bullish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0627 GMT	0.8427	110.23	1.3113	0.9618
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8565	115.68	1.3757	0.9249
3rd Resistance	0.8514	112.50	1.3288	0.9775
2nd Resistance	0.8490	111.91	1.3230	0.9714
1st Resistance	0.8465	110.70	1.3133	0.9662
Pivot*	0.8451	110.93	1.3192	0.9637
1st Support	0.8409	109.97	1.3069	0.9566
2nd Support	0.8390	109.50	1.3000	0.9500
3rd Support	0.8350	108.71	1.2950	0.9450

Intraday EUR/GBP: Monday's bearish outside day reversal defines the tone and Monday's two-month low at 0.8409 is set for renewed bear pressure. A steady push lower is expected beneath 0.8390 towards the 0.8350 projected target area, where backup support lies at 0.8331. Only above 0.8490 would lift the tone, and re-open Monday's 0.8514 high.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: bears remain in control following Monday's push into fresh two-month lows below 110.00 and further weakness is expected to 109.50. However, there is scope for a much sharper setback towards 1.618 Fibonacci extension targets at 108.71 and 107.85 as the bear trend intensifies. Regaining ground above 110.70 would provide temporary respite, but corrective strength is limited.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: bears have regained control following Monday's clean break below 1.3230 and a downwave equality target at 1.3069 is set to be met. The psychologically-important 1.3000 level is also likely to be tested, as there is downside scope to congested targets at 1.2950. Regaining ground above 1.3133 is required to provide temporary respite, but corrective strength is limited to the 1.3230 area.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Tuesday's range is nestling inside Monday's range, but there is risk of renewed bear pressure on Monday's low at 0.9566. A wave equality target at 0.9500, projected off the Nov. 22 lower high at 0.9957 is the main target, but there is scope for deeper targets at 0.9450 and 0.9400. Only a push above 0.9662 would lift the tone, but gains are limited to the Nov. 29 high at 0.9714.

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"