

European Forex Technicals: More Weakness For EUR/GBP

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0543 GMT	1.3020	83.44	1.5584	1.0007
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3378	86.46	1.5622	1.0290
3rd Resistance	1.3151	84.41	1.5740	1.0089
2nd Resistance	1.3136	84.12	1.5650	1.0055
1st Resistance	1.3047	83.80	1.5594	1.0044
Pivot*	1.3034	83.80	1.5545	1.0002
1st Support	1.2969	83.32	1.5486	1.0000
2nd Support	1.2949	82.94	1.5355	0.9975
3rd Support	1.2920	82.78	1.5297	0.9926

Intraday EUR/USD: The bear trend remains entrenched following Tuesday's breach of 1.3000, and the downwave equality target at 1.2949 is the immediate target. Tuesday's close below 1.3000 for the first time since Sept. 14 defines the large bearish outside reversal month for November, and concerted weakness below 1.2949 would expose 1.2920 and 1.2900. A break above 1.3047 would create room for 1.3136/51, but upside scope looks limited until at least the 1.2949 target has been met.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Consolidation off Tuesday's two-month high at 84.41 tests support marking the top of the daily Ichimoku cloud at 83.32. However, 83.32 is expected to hold in order to prompt a return to the 83.80 intraday lower high, and ultimately a return to the 84.41 high. Only a fresh wave of bear pressure would manage to force a break below 83.32, exposing the Nov. 23 low at 82.78.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Tuesday's doji neutralises the short-term bear trend, and Tuesday's high at 1.5594 is attracting bull pressure. A break through 1.5594 is likely to build on the corrective recovery off 1.5486, opening 1.5650, although corrective upside scope is limited to the 1.5740 area. Only a reversal below 1.5486 would put bears back in control, exposing the 1.618 Fibonacci extension target at 1.5355 and the Sept. 7 reaction low at 1.5297.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Recovers strongly off Tuesday's corrective low at 0.9926 to threaten a return to the Nov. 26 reaction high at 1.0055. There is scope for further gains towards a seven-week bear flag channel resistance line at 1.0089, and potentially the 1.0150 measured target. Failure to keep 0.9975 intact would concern bulls and bring the 0.9926 low back into the picture.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0611 GMT	0.8364	108.75	1.3059	0.9589
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8562	115.61	1.3744	0.9256
3rd Resistance	0.8440	110.00	1.3145	0.9714
2nd Resistance	0.8420	109.70	1.3133	0.9662
1st Resistance	0.8388	109.10	1.3065	0.9627
Pivot*	0.8376	109.22	1.3033	0.9598
1st Support	0.8331	108.33	1.3014	0.9537
2nd Support	0.8312	107.85	1.2934	0.9500
3rd Support	0.8245	106.76	1.2874	0.9450

Intraday EUR/GBP: The key 0.8331 support area is being challenged following two days of sharp weakness. However, the dominant downtrend threatens another wave lower towards projected targets in the 0.8225/0.8245 area - the former being a wave equality target. Corrective gains need to force a break above 0.8440 in order to question the bearish outlook.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Bears remain in control following Tuesday's sustained push into fresh two-month lows below 110.00, and support at 108.33 is looking vulnerable. There is scope for more weakness to meet the 1.618 Fibonacci extension target at 107.85, and potentially 106.76 as the bear trend intensifies. Regaining ground above 109.10 would provide temporary respite, but the 110.00 level will look to limit corrective euro strength.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Tuesday's recovery off a two-month low at 1.2934 is looking sustainable, and a break above 1.3065 appears imminent. A push through 1.3065 would create room for further strength towards the 1.3133/45 resistance area before the threat of consolidation. A break below 1.3014 is required to put bears back in control of the near-term, exposing the 1.2934 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Continues to edge lower towards the wave equality target at 0.9500, projected off the Nov. 22 lower high at 0.9957. However, there is scope for deeper weakness towards 0.9450 and 0.9400, to extend the three-week decline off the Nov. 5 reaction high at 1.0184. Regaining ground above 0.9627 would provide respite, but only above 0.9714 would question the bear tone.

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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