

European Forex Technicals: USD Regains Its Poise

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0601 GMT	1.3216	83.92	1.5702	0.9902
3 Day Trend	Bearish	Bullish	Bearish	Bearish
Weekly Trend	Bearish	Range	Bearish	Bearish
200 day ma	1.3372	86.31	1.5625	1.0270
3rd Resistance	1.3401	85.00	1.5900	1.0000
2nd Resistance	1.3306	84.41	1.5821	0.9951
1st Resistance	1.3280	84.00	1.5784	0.9937
Pivot*	1.3306	83.16	1.5761	0.9839
1st Support	1.3195	83.35	1.5656	0.9865
2nd Support	1.3185	83.20	1.5612	0.9815
3rd Support	1.3060	83.07	1.5513	0.9756

Intraday EUR/USD: the bear wave off Monday's high at 1.3452 is approaching key support in the 1.3185/1.3195 area. In order to keep euro bulls in control, support at 1.3185 needs to hold and prompt a recovery back above 1.3280, to protect the rally off the Nov. 30 reaction low at 1.2969. Failure to keep 1.3185 would create scope for weakness to 1.3060 initially, but leave the 1.2969 low vulnerable in the slightly longer-term. Regaining ground above 1.3306 would attract fresh bull pressure towards Tuesday's 1.3401 high.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Tuesday's strong recovery off 82.34 is extending to challenge the 84.00 level, and put bulls back on track. The highs clustered around the Nov. 29 reaction high at 84.41 are the main upside targets, and a break through there would open the psychologically-important 85.00 level. The daily Ichimoku cloud suggests downside scope is limited to 83.07, which is protected by 83.20 and 83.35.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: the setback off Tuesday's 1.5821 high is extending towards Monday's low at 1.5656. Support at 1.5656 is key, as a break below there would leave the 1.5821 high as a near-term bear failure and prompt a deeper setback towards the Dec. 2 low at 1.5513. Corrective gains look limited to the 1.5784 area and only a sustained break above there would re-open the 1.5821 high.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: extends the recovery off 0.9725 into a third day, as resistance at 0.9937 moves into the picture. Combining 0.9937 with the lower high at 0.9951 that protects the Dec. 1 reaction high at 1.0067 suggests upside scope is limited to 0.9951. A push below 0.9865 is required to prompt a setback towards 0.9815.

Weekly chart USD/CHF trend: Bearish.

Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0631 GMT	0.8417	110.95	1.3080	0.9779
3 Day Trend	Bearish	Bearish	Range	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	0.8557	115.37	1.3712	0.9284
3rd Resistance	0.8525	112.45	1.3207	1.0000
2nd Resistance	0.8479	111.90	1.3170	0.9967
1st Resistance	0.8455	111.20	1.3123	0.9860
Pivot*	0.8440	110.51	1.3087	0.9873
1st Support	0.8400	110.50	1.3043	0.9739
2nd Support	0.8385	110.00	1.3003	0.9700
3rd Support	0.8358	109.58	1.2934	0.9631

Intraday EUR/GBP: bear pressure is extending below 0.8413 to put the 0.8400 level under threat. There is scope for a deeper setback towards 0.8385 and the 1.618 Fibonacci extension target at 0.8358. However, the Dec. 1 reaction low at 0.8335 is likely to remain intact during Wednesday's session. Congestion between 0.8455 and 0.8479 protects the Dec. 3 reaction high at 0.8525.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Tuesday's bullish outside day puts pressure back on the Dec. 2 reaction high at 111.20 and a push higher towards 111.90 is favored. A wave equality target at 112.45 would be created on a break above 111.20, although 112.45 provides the limit for upside scope. Loss of 110.50 would expose 110.00 and Tuesday's low at 109.58.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: remains above 1.3000, but is struggling to attract gains towards resistance at 1.3170. There is a growing threat for renewed bear pressure on Monday's 1.3003 low, exposing the Nov. 30 reaction low at 1.2934 and projected support at 1.2900. Only above 1.3170 would lift the tone, opening 1.3207.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: suffers a sharp setback off Tuesday's high at 0.9967 and is heading towards the 0.9700/0.9739 support cluster. However, only a sustained break below 0.9700 would begin to question the validity of the recovery off the Dec. 1 reaction low at 0.9537. Regaining ground above 0.9860 would lift the tone and suggest a return to the 0.9967 high is on the cards.

Weekly chart AUD/USD trend: Bullish.

* 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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