

## European Forex Technicals: Euro Facing Bout Of Weakness

5 Jan 2011, 08:10

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0604 GMT	1.3275	82.00	1.5559	0.9494
3 Day Trend	Bullish	Bullish	Range	Bullish
Weekly Trend	Range	Bearish	Bearish	Bearish
200 day ma	1.3346	85.70	1.5613	1.0144
3rd Resistance	1.3407	82.80	1.5771	0.9560
2nd Resistance	1.3378	82.55	1.5664	0.9545
1st Resistance	1.3325	82.30	1.5646	0.9519
Pivot*	1.3345	81.98	1.5562	0.9444
1st Support	1.3250	81.88	1.5500	0.9460
2nd Support	1.3200	81.61	1.5436	0.9412
3rd Support	1.3145	81.50	1.5347	0.9385

Intraday EUR/USD: The sharp setback off 1.3435 puts Monday's 1.3250 low at risk. The 1.3435 high marks the second reaction high of a five-week bear pennant continuation pattern that has been under construction since setting the Nov. 30 reaction low at 1.2969. A sustained break below 1.3250 would confirm the bearish overtone, exposing 1.3145 and the bear pennant support line at 1.3101. Only above 1.3407 would re-open the 1.3435 high.  
Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Builds on the recovery off Monday's bullish outside day low at 80.93, and looks to challenge resistance at 82.30. With corrective downside risk limited to the key 81.50/81.61 area, the main threat is for a fresh wave of bull pressure through 82.30 towards 82.55 and 82.80. Only below 81.50 would question the positive outlook, exposing 81.20.  
Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Key resistance at the Dec. 31 reaction high at 1.5664 has again been called into action, as part of a choppy consolidation phase. Monday's low at 1.5436 defines the bottom of the consolidation area, which is protected by 1.5500. Only a fresh wave of bull pressure above 1.5664 would prompt a significant move higher towards 1.5771 and the Dec. 14 high at 1.5910. This recovery would then become the right-hand shoulder in a head-and-shoulders pattern on the daily chart. Failure to keep 1.5436 intact would expose the Dec. 28 reaction low at 1.5347.  
Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's strength sees the 0.9500 level breached, as bulls look to meet an upside target at 0.9545 and challenge resistance at 0.9560. However, only a fresh wave of bull pressure would force a break through 0.9560, which is likely to be the limit for upside scope during Wednesday's session. Weakness will look to test the 0.9385 area, and only below there would re-open the Dec. 31 all-time low at 0.9301.  
Weekly chart USD/CHF trend: Bearish.

## Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0629 GMT	0.8538	108.92	1.2605	1.0003
3 Day Trend	Bearish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Range	Bearish	Bullish
200 day ma	0.8547	114.35	1.3523	0.9416
3rd Resistance	0.8646	110.24	1.2700	1.0130
2nd Resistance	0.8595	109.86	1.2682	1.0079
1st Resistance	0.8564	109.41	1.2656	1.0040
Pivot*	0.8565	109.35	1.2588	1.0084
1st Support	0.8504	108.63	1.2582	0.9987
2nd Support	0.8467	108.33	1.2495	0.9967
3rd Support	0.8446	107.81	1.2440	0.9831

Intraday EUR/GBP: Tuesday's sharp setback leaves Monday's 0.8646 high as a bull trap, and the threat of further weakness towards 0.8446 weighs. However, only a push below 0.8446 would put bears in control of the near-term, and 0.8446 is likely to remain the limit for downside scope during Wednesday's session. Congested resistance lies between 0.8564 and 0.8595 to cap corrective gains, protecting the 0.8646 peak.  
Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Tuesday's sharp setback off 110.24 defines the near-term tone, and support at 108.63 is braced for more pressure. The 110.24 peak has already been confirmed as a near-term bull failure, leaving the base of the bull wave at 107.81 vulnerable in the coming sessions. The key Dec. 30 reaction low at 107.60 lies just below. Projected resistance at 109.41 will look to limit corrective strength, but only above 109.86 would suggest a return to the 110.24 peak is viable.  
Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Suffers a setback off Tuesday's high at 1.2682, and threatens further weakness below 1.2582 towards 1.2495. The makings of a two-week inverse head-and-shoulders pattern can be discerned on the daily chart, suggesting there is scope for downside towards the left-hand shoulder low at 1.2440. Only a sustained break through 1.2682 and 1.2700 would attract further strength towards 1.2765.  
Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Sharpens the setback off the Dec. 31 28-year high at 1.0258, and key support in the 0.9967/87 area is under threat. Failure to hold this area would enhance thoughts of a head-and-shoulders top forming on the daily chart, prompting further weakness towards 0.9752 and 0.9651 in the coming sessions. A recovery above 1.0079 is required to provide respite, opening 1.0130.  
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"

January 05, 2011 02:10 ET (07:10 GMT)