

European Forex Technicals: Euro Downtrend To Continue

10 Jan 2011, 08:06

By Francis Bray
A DOW JONES NEWSWIRE COLUMN

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0547 GMT	1.2908	83.12	1.5545	0.9651
3 Day Trend	Bearish	Bearish	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Range	Bullish
200 day ma	1.3336	85.63	1.5610	1.0130
3rd Resistance	1.3085	84.21	1.5664	0.9815
2nd Resistance	1.3020	83.70	1.5646	0.9735
1st Resistance	1.2960	83.30	1.5578	0.9708
Pivot*	1.2944	83.22	1.5515	0.9655
1st Support	1.2886	82.85	1.5496	0.9600
2nd Support	1.2860	82.65	1.5462	0.9555
3rd Support	1.2793	82.25	1.5407	0.9515

Intraday EUR/USD: The downwave through 1.3000 is set to extend towards weekly Ichimoku cloud support at 1.2793. Fresh bear pressure is expected below Monday's current session low at 1.2860, as the decline off the Jan. 4 reaction high at 1.3435 looks to increase in momentum. A measured downside target based on the completed bear pennant suggests there is potential for 1.2565 this week. Corrective strength needs to force a break above 1.2960 in order to lift the tone, opening 1.3020.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The sharp setback off Friday's high at 83.70 puts pressure on support at 82.85 and 82.65. However, weakness is corrective at this stage, and only a sustained break below 82.65 would attract a further slide towards 82.25. Regaining ground above 83.30 is required to lift the tone, and last week's positive weekly candle suggests the 83.70 high is still in the picture.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Friday's bullish outside day off 1.5407 creates room for a return to the range high at 1.5664. A push through 1.5578 would attract further gains to the Jan. 4 high at 1.5646, but the wider recovery off the Dec. 28 reaction low at 1.5347 has scope for a push above 1.5664 to the 1.6000 area, as part of a right-shoulder corrective rally. Support lies at 1.5496 and 1.5462 to protect the 1.5407 low.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: Has become rangebound between 0.9600 and 0.9708 following Friday's rally. However, with good backup support lying at 0.9555 and 0.9515, downside risk will struggle to deepen the retracement of the strong rally off 0.9301. A fresh wave of bull pressure is required to force a break through 0.9708, creating room for gains towards 0.9735 and 0.9815.

Weekly chart USD/CHF trend: Bullish.

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Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0617 GMT	0.8306	107.30	1.2455	0.9949
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8543	114.17	1.3495	0.9433
3rd Resistance	0.8480	109.10	1.2610	1.0079
2nd Resistance	0.8435	108.60	1.2560	1.0030
1st Resistance	0.8400	108.15	1.2490	0.9994
Pivot*	0.8342	107.60	1.2500	0.9954
1st Support	0.8270	106.94	1.2416	0.9895
2nd Support	0.8203	105.80	1.2398	0.9831
3rd Support	0.8143	105.44	1.2315	0.9752

Intraday EUR/GBP: Bears remain in control following Friday's sharp weakness, and further downside is expected to 0.8270. A one-month bull support line has been decisively broken, confirming the Jan. 3 high at 0.8646 as a key lower high below the Oct. 25 reaction high at 0.8941. A downwave equality target at 0.8040 has been created, although support at 0.8203 and 0.8143 will look to protect 0.8040. Corrective strength is limited to the 0.8400 area.
Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Friday's push below 107.60 puts bears firmly in control of the short term, and is set to extend below 106.94. The Jan. 4 reaction high at 110.24 has been left stranded, and downside risk below 106.94 exists to 105.80 and the 2010 low at 105.44, set in August. Corrective strength is limited to the 108.60 area, which is shielded by 108.15.
Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The decline off the Jan. 5 reaction high at 1.2727 continues, and the loss of 1.2450 exposes the Jan. 3 higher low at 1.2416. However, the main threat is for a retest of December's all-time low at 1.2398, and a break through there would create longer-term scope for the 1.2000 area. Meeting the downwave equality target at 1.2315 would be the initial objective though. Keeping 1.2416 intact would leave the action within a bear flag, and regaining ground above 1.2490 would lift the tone, opening 1.2560.
Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: The 0.9895 support area is still vulnerable following the setback off 0.9994. The 50% Fibonacci retracement level of the 0.9537/1.0258 advance lies in the 0.9895 area, but last week's negative candle suggests there is scope for a break through 0.9895 towards the Dec. 16 low at 0.9831. Only a push above 0.9994 would give the near-term outlook a boost, opening 1.0030.
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"

January 10, 2011 02:06 ET (07:06 GMT)