

European Forex Technicals: Bull Trend In GBP To Continue

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0617 GMT	1.3608	82.23	1.6133	0.9539
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bullish	Bullish
200 day ma	1.3368	85.04	1.5670	1.0021
3rd Resistance	1.3702	83.22	1.6277	0.9686
2nd Resistance	1.3680	82.47	1.6217	0.9617
1st Resistance	1.3650	82.28	1.6172	0.9600
Pivot*	1.3602	81.92	1.6104	0.9532
1st Support	1.3543	82.16	1.6037	0.9490
2nd Support	1.3510	81.85	1.6015	0.9461
3rd Support	1.3479	81.64	1.5990	0.9422

Intraday EUR/USD: the corrective recovery off 1.3543 is likely to stall and renewed bear pressure is expected on Friday's 1.3543 low. Last week's gravestone doji candle is behind the latest downside threat and support from the top of the weekly Ichimoku cloud at 1.3510 is likely to be called into action. The 38.2% Fibonacci retracement level of the 1.2860/1.3862 rally lies just beneath, at 1.3479. Only a break above Friday's spike high at 1.3680 would put bulls in control of the near-term, opening 1.3700 and 1.3770.  
Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Friday's strong recovery off 81.10 keeps the three-month bear pennant intact and consolidation is underway off 82.47. More downside consolidation is expected toward the 81.85 area, which would be exposed on a break below 82.16. A recovery above 82.28 re-open the 82.47 high, but only a break through 82.47 would suggest this recovery is sustainable.  
Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: the recovery off Friday's low at 1.6037 is set to extend toward 1.6172. The 1.6037 low has already become a potential bear failure low and a break through 1.6172 would provide confirmation, creating room for a recovery back toward last week's 1.6277 reaction high. Only a reversal below 1.6037 would put bears in control of the near-term, exposing 1.5990.  
Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: consolidates Friday's strength beneath resistance at 0.9600, but the strong recovery off 0.9461 suggests the 0.9600 high is likely to be retested. A wave equality target lies at 0.9617 and there is scope for the Jan. 21 high at 0.9686. Failure to keep dips limited to the 0.9490 area would question the recovery and prompt a return to the 0.9461 low.  
Weekly chart USD/CHF trend: Bullish.

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### Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0637 GMT	0.8436	111.92	1.2989	1.0151
3 Day Trend	Bearish	Bearish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Range	Bullish
200 day ma	0.8531	113.65	1.3068	0.9534
3rd Resistance	0.8535	112.55	1.3036	1.0258
2nd Resistance	0.8510	112.40	1.3030	1.0201
1st Resistance	0.8477	112.06	1.2982	1.0163
Pivot*	0.8446	111.50	1.2954	1.0151
1st Support	0.8424	111.46	1.2954	1.0098
2nd Support	0.8375	110.77	1.2910	1.0050
3rd Support	0.8345	110.20	1.2867	1.0000

Intraday EUR/GBP: the powerful short-term bear trend is piling pressure on support at 0.8424, and a downside break towards 0.8375 is expected. The sharpness of the downtrend suggests there is scope for the 1.618 Fibonacci extension target at 0.8345, which has the duty of protecting the Jan. 10 reaction low at 0.8285. A recovery above 0.8477 would provide temporary respite, but only above 0.8510 would lift the tone.  
Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: a corrective recovery is underway, but while projected resistance at 112.40 caps, the main threat is for a return to last week's low at 110.77. The dominant downtrend off the Jan. 27 reaction high at 114.02 is still intact and on course for meeting a wave equality target at 110.20, on a break below 110.77. Only a clean break above 112.40 would question the bearish outlook, opening the 112.92 lower high.  
Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: an inverse head-and-shoulders continuation pattern is close to completion, as the neckline at 1.3030 is set to be tested. A break through 1.3030 would pave the way for further gains to 1.3068 and the 1.3207/30 area, supported by positive crossovers on daily momentum indicators. Loss of 1.2954 would defer the bullish outlook, but downside risk appears limited to 1.2910.  
Weekly chart EUR/CHF trend: Range.

Intraday AUD/USD: suffers a corrective setback off Friday's spinning top high at 1.0201, which has scope for the 1.0050 area. A break below 1.0098 would bring the 1.0050 support area into focus, but the positive weekly candle suggests downside risk is limited. A push through resistance at 1.0163 would be required to re-open the 1.0201 high and threaten a return to the December 2010 28-year high at 1.0258.  
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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