

European Forex Technicals: EUR Recovery Gaining Credibility

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0605 GMT	1.3647	82.40	1.6071	0.9633
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bullish	Bullish
200 day ma	1.3373	84.98	1.5678	1.0013
3rd Resistance	1.3770	82.91	1.6185	0.9756
2nd Resistance	1.3715	82.85	1.6160	0.9738
1st Resistance	1.3689	82.52	1.6102	0.9655
Pivot*	1.3629	82.19	1.6088	0.9600
1st Support	1.3613	82.25	1.6028	0.9595
2nd Support	1.3593	82.10	1.5971	0.9555
3rd Support	1.3508	81.77	1.5952	0.9523

Intraday EUR/USD: a solid resistance cluster is being challenged and 1.3715 marks the upper side of the cluster. The 50% Fibonacci retracement level of the 1.3862/1.3508 decline lies in the cluster and only a fresh wave of EUR bull pressure would manage to force a break through 1.3715, opening 1.3770. Failure to hold onto support at 1.3613 would put near-term bears in control, exposing 1.3593 and bringing Monday's reaction low at 1.3508 back into the picture. Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: rallies strongly off 81.77 for bulls to regain near-term control, and a break through 82.52 is threatened. Projected upside targets at 82.85 beckon and a wave equality target lies at 82.91. Failure to keep dips above 82.25 would defer the positive outlook, but bulls will look to limit downside risk to 82.10. Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: renewed bear pressure is expected on Tuesday's marginal low at 1.6028, having confirmed a lower high at 1.6185. The bear wave off the Feb. 3 reaction high at 1.6277 will look to extend to challenge projected support at 1.5971, which lies in front of the wave equality target at 1.5952. However, loss of 1.5971 would leave the 1.6277 peak as a potential near-term bull failure and create room for further weakness towards 1.5826. Keeping 1.5971 intact would keep the short-term uptrend intact and a break above 1.6185 would bring the focus back onto the 1.6277 high. Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Tuesday's bullish outside day puts bulls back in control of the near-term and a push through resistance at 0.9655 is expected. The recovery off the Feb. 2 reaction low is part of a bearish continuation pattern and the upside objective lies between projected targets at 0.9738 and 0.9756. Congestion between 0.9523 and 0.9595 will look to contain corrective weakness. Weekly chart USD/CHF trend: Bullish.

Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0634 GMT	0.8492	112.46	1.3145	1.0137
3 Day Trend	Bullish	Bullish	Bullish	Range
Weekly Trend	Bearish	Bearish	Bullish	Bullish
200 day ma	0.8530	113.63	1.3379	0.9540
3rd Resistance	0.8547	113.53	1.3300	1.0258
2nd Resistance	0.8531	112.92	1.3230	1.0201
1st Resistance	0.8510	112.65	1.3165	1.0192
Pivot*	0.8470	112.06	1.3082	1.0151
1st Support	0.8438	112.19	1.3079	1.0098
2nd Support	0.8390	111.59	1.3035	1.0085
3rd Support	0.8345	111.23	1.2980	1.0025

Intraday EUR/GBP: the recovery off Monday's low at 0.8390 is looking to put pressure on the 0.8510 resistance area. There is scope for the 50% Fibonacci retracement level of the 0.8672/0.8390 decline at 0.8531, but only a clean break through 0.8531 would lift the tone. Failure to keep dips limited to the 0.8438 intraday higher low would suggest a return to the 0.8390 low is on the cards. Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: the steady push higher continues following the break through 112.19 and the Feb. 2 lower high at 112.92 is now within striking distance. The breach of 112.40 has left the 110.77 low as a potential near-term bear failure and confirmation would be seen on a break above 112.92, opening the Jan. 27 reaction high at 114.02. The 112.19 area reverts to support and only movement below 111.59 would concern bulls. Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: a determined push to the upside above 1.3000 puts bulls in control of the short-term and opens up the 1.3230 area. Projected targets just beneath the 1.3300 area are now the main objective, which coincides with the 61.8% Fibonacci retracement of the dominant 1.3835/1.2398 decline. Downside risk is limited and good support lies at 1.3035. Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: a bull pennant continuation pattern is forming on the daily chart, as resistance at the Feb. 4 1.0201 high caps. But with downside risk limited to Monday's 1.0098 low the main threat is for renewed bull pressure on the 1.0201 high. The December 2010 28-year high at 1.0258 would become vulnerable on a break through 1.0201. Only a break below projected support at 1.0085 would concern bulls, exposing 1.0025. 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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