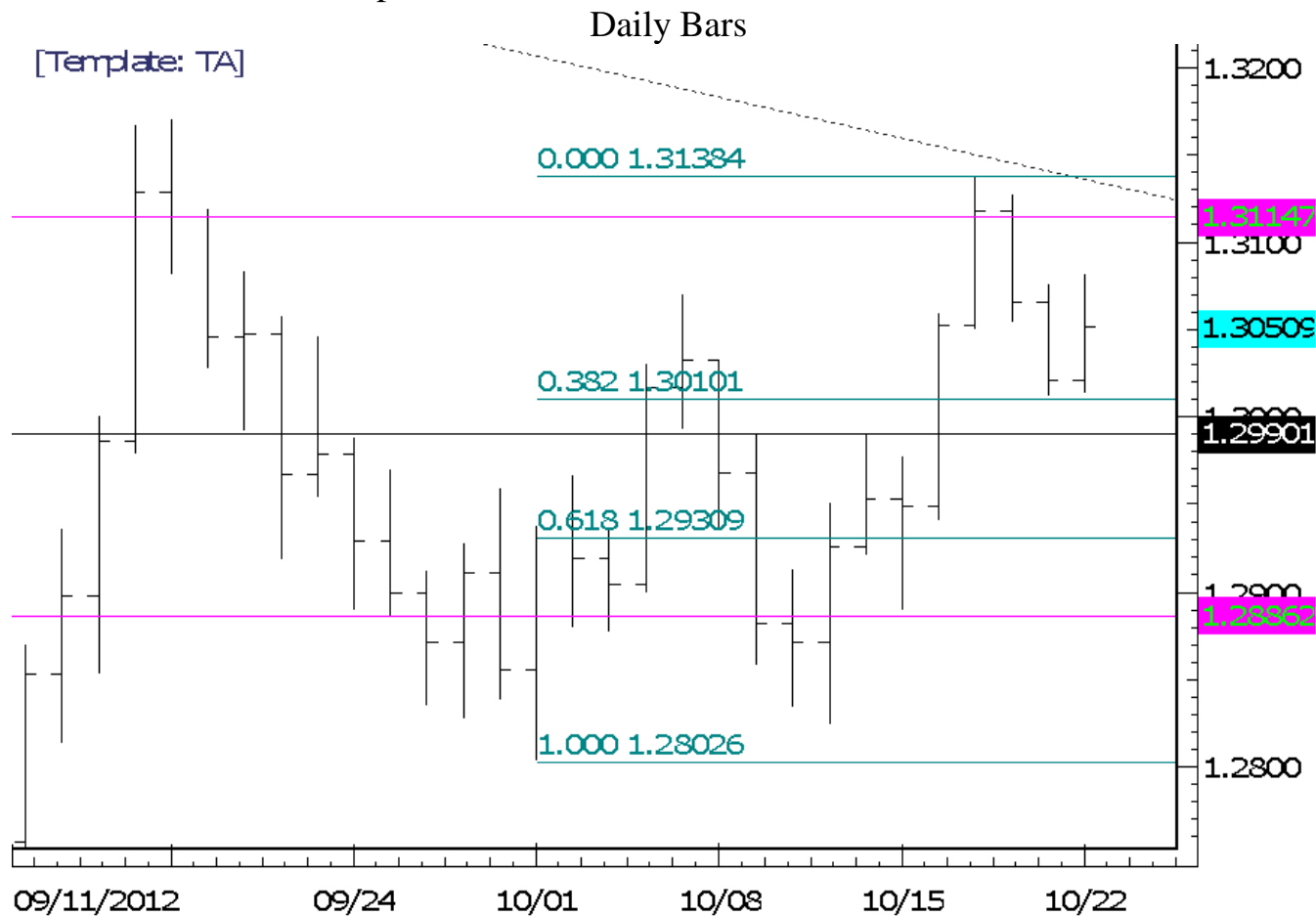


10/22/2012	BIAS	BIAS MAY CHANGE	OBJECTIVES
EURUSD	Flat		
GBPUSD	S (10/17)	16150	15900 open
AUDUSD	Flat		
NZDUSD	L (10/19)	8107	8165 open
USDJPY	Pending		
USDCAD	Flat		
USDCHF	Flat		
GOLD	L (10/22)	1713	1753
CRUDE	Flat		
USDOLLAR	Flat		

EURUSD at Risk of Deeper Decline

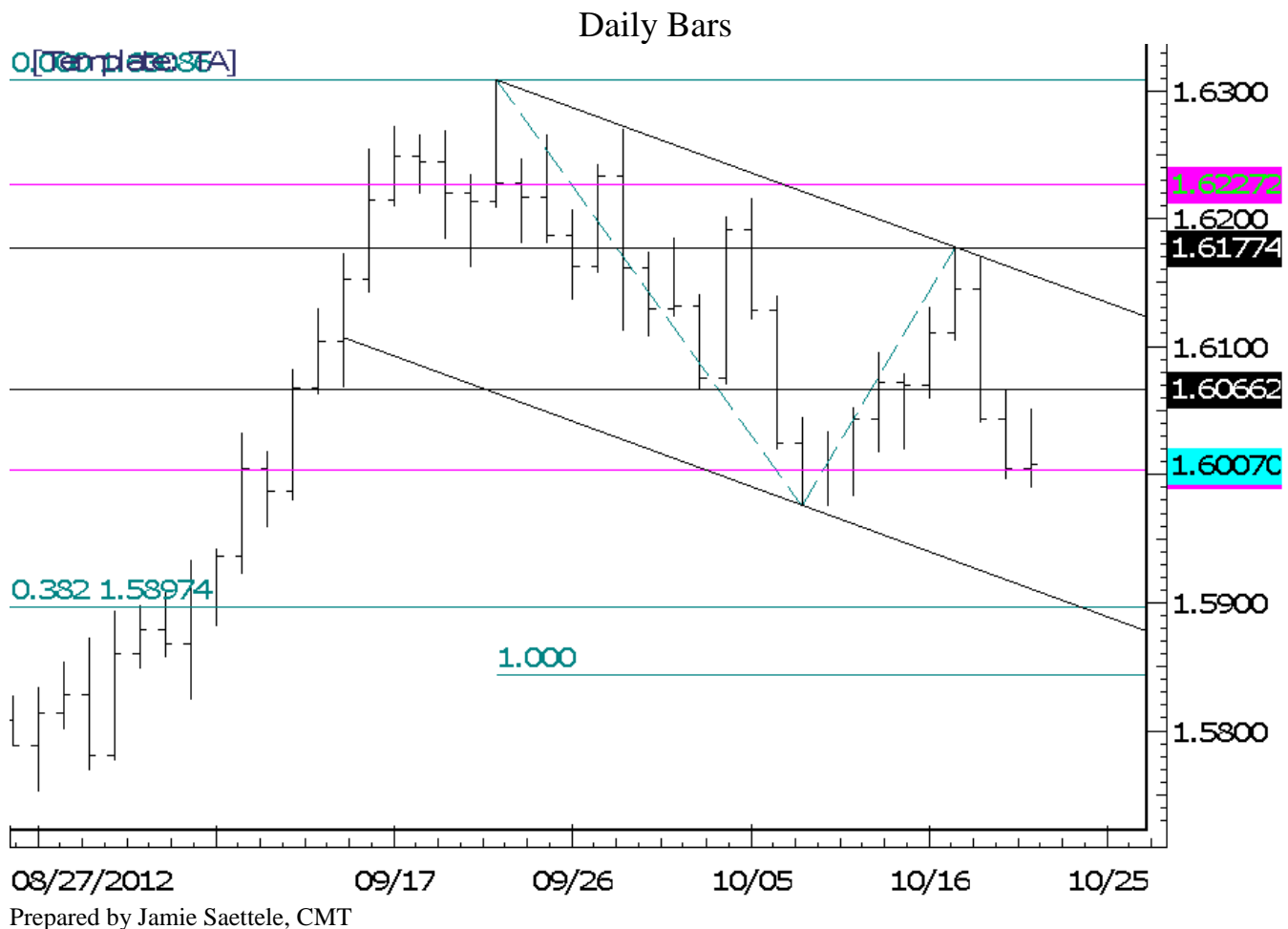


Prepared by Jamie Saettele, CMT

Final comments last week were that “EURUSD support extends to 13115 and the near term trend is constructive as long as price is above 12991 but a print above 13139 probably signals the beginning of the end of the rally from 12825.” I’m not so sure that we are going to get that print above 13139 now. Price has not dropped below 12991 but Friday’s decline triggered a bearish breakout from Thursday’s inside day. Also, weakness at small degrees of trend is unfolding in an impulsive manner. Conflicting evidence leaves me neutral. Weakness from here could compose wave C of a flat, triangle, or even part of a larger more complex correction.

LEVELS: 12931 12990 13010 13082 13115 13138

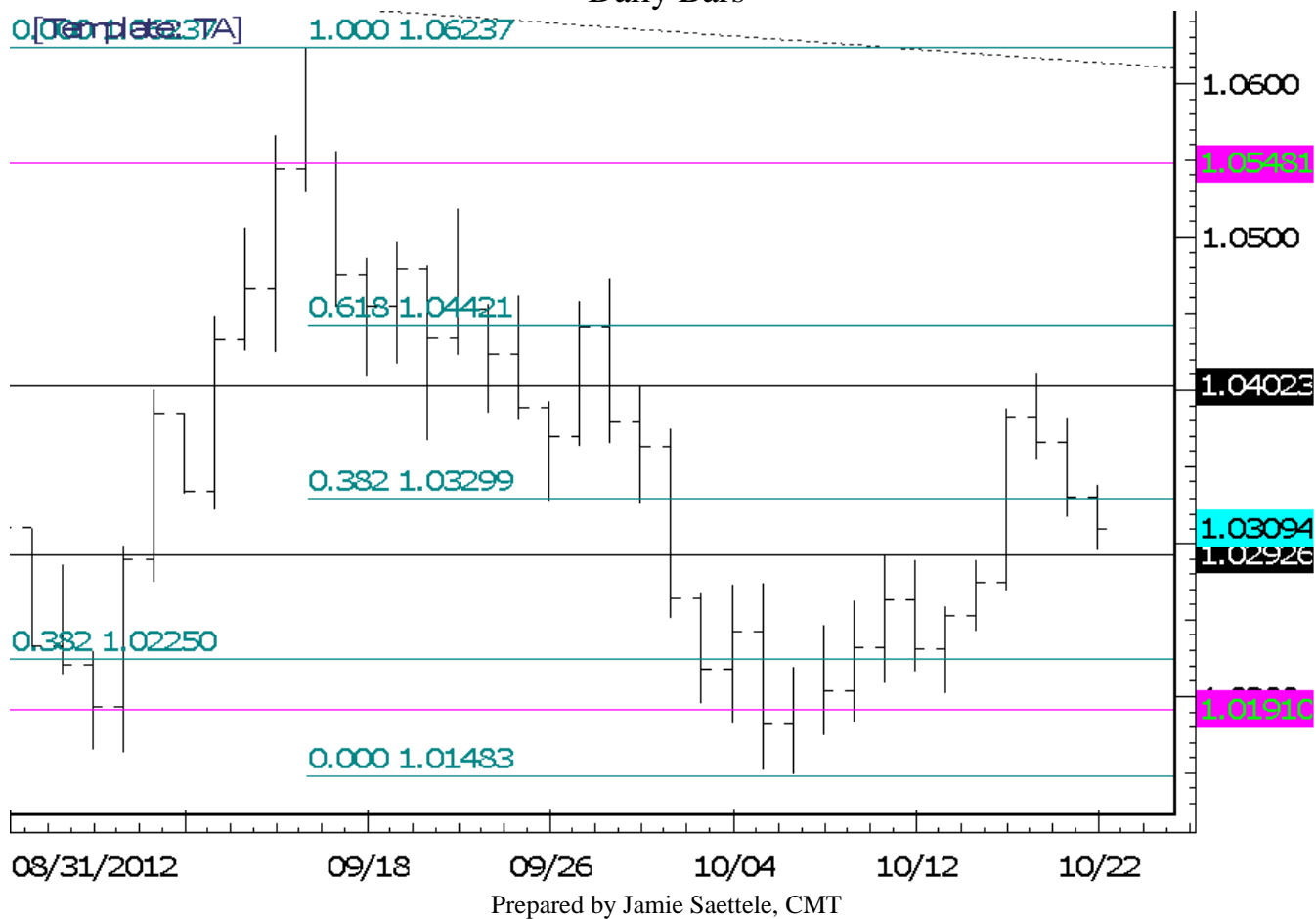
GBPUSD Poised for 15900 Test



“The sharp GBPUSD drop could be the start of a move to 15900 (38.2% and former resistance) or lower. Bearish risk remains 16150 (from 16220 originally). The GBPUSD could also spend weeks trading between 16000 and 16250. Regardless, expect a response at 16000. Resistance is 16075/95.” The GBPUSD bounced from just below 16000 and failed shy of estimated resistance, at 16052 today. It’s unclear if the rally to 16052 completes a correction of the impulsive decline from 16178 but the top is in the vicinity of the former 4th wave (16032-16066) which is a common terminal point for corrections. Allowing for another run at 16066 (but not expecting it), risk remains to the downside.

LEVELS: 15845 15912 15975 16066 16106 **16150**

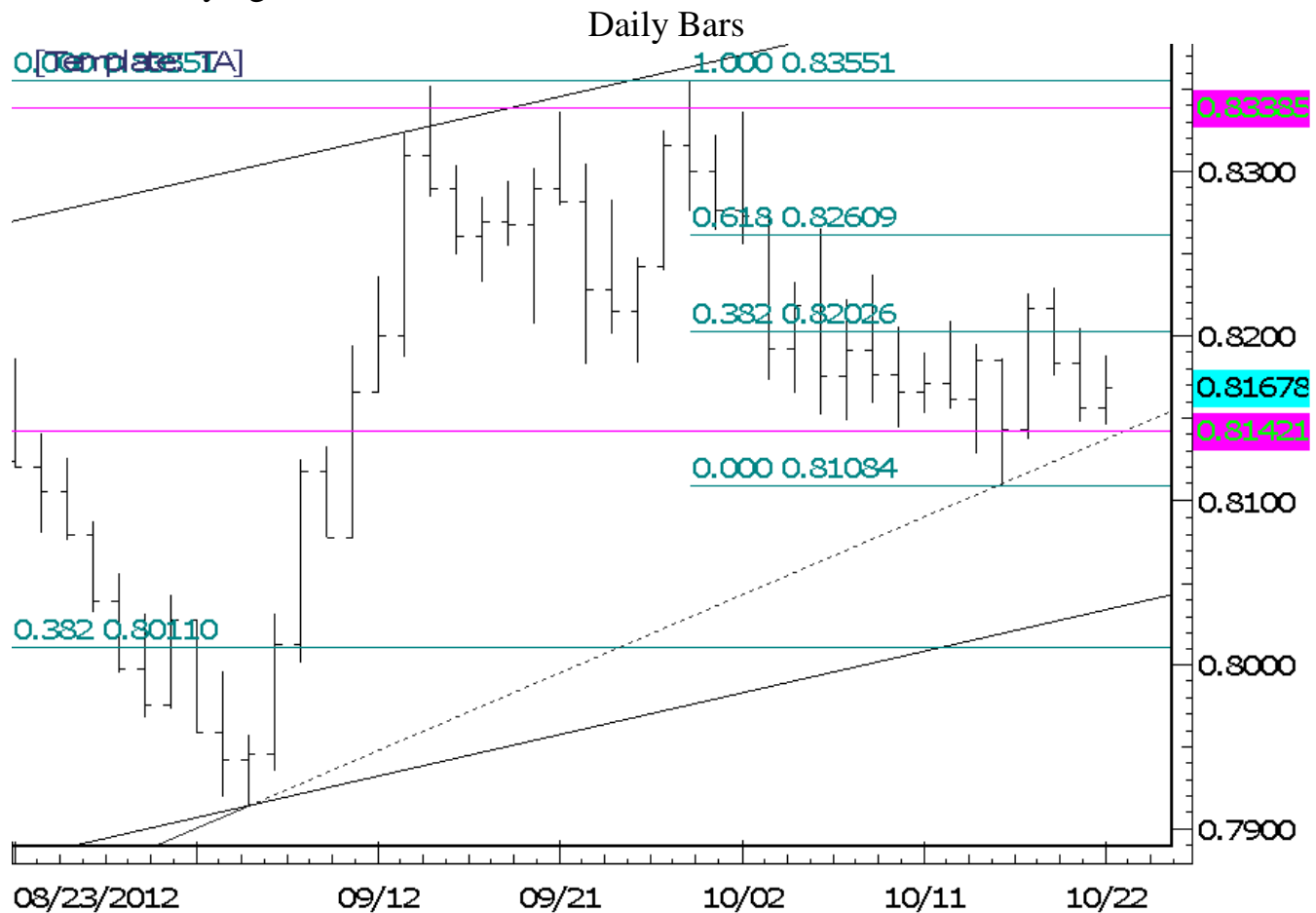
AUDUSD Shows Bearish Impulsive Characteristics Daily Bars



My latest comments were “continue to look higher, especially now that price has printed above the October 1 high. 10325/36 is near term support.” The AUDUSD is similar to the EURUSD at the current juncture in that price hasn’t traded through the bullish invalidation point of 10293 but small degree weakness (from 10411) is impulsive and suggestive of something more bearish. The conflicting evidence leaves me neutral for now. Market action at 10350/70 (if reached) may offer clues regarding the next move.

LEVELS: 10148 10191 10293 10339 10411 10442

NZDUSD Trying to Base above 8108

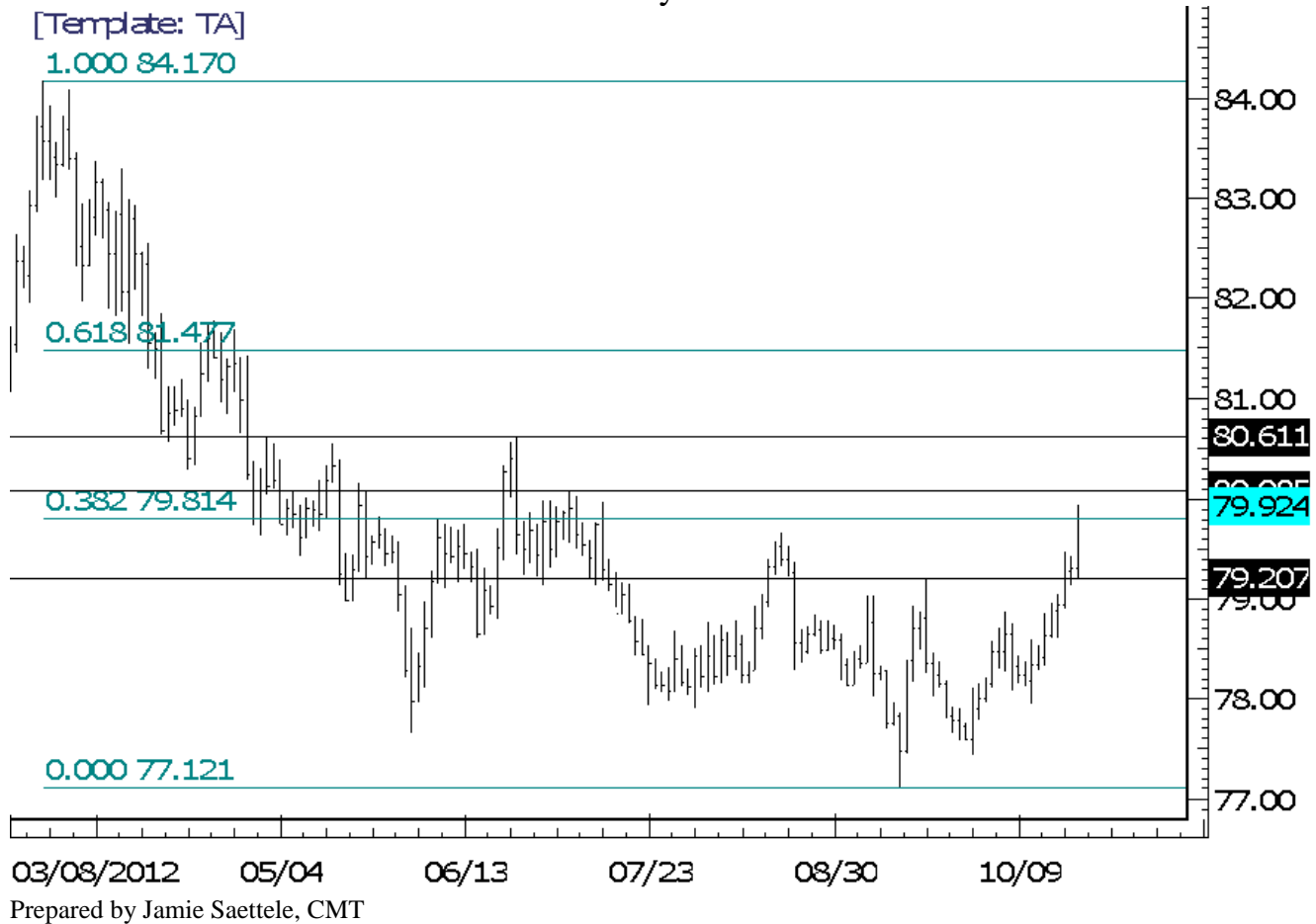


Prepared by Jamie Saettele, CMT

NZDUSD price action remains favorable for bulls. “The impulsive nature of the rally from 8108 clarifies increases confidence that the NZDUSD is headed higher. Expect stalling at resistance such as 8261 and 8298 but focus should be on a new high (8356) given the bullish momentum profile on the daily (RSI holding above 40 on the latest dip).” Price has responded well in front of 8142 but exceeding 8205 would increase confidence in upside extension. The disparate near term patterns and implications in AUDUSD and NZDUSD are manifest in [AUDNZD](#).

LEVELS: 8031 8108 8142 8205 8265 8298

USDJPY Large Range Day Produces Pivot at 7921 Daily Bars



My most recent comments were that “the USDJPY closed just above 7921 today and focus is higher towards 7967/82 and ultimately the big round figure (80). If the break is ‘for real’, then price should remain above 7794. 7861/96 is support.” The USDJPY has gone straight up since Thursday and formed a JS Thrust (JST) day today. JST days are useful in establishing reference points to trade from, especially at high risk levels (like now) where being bullish feels like chasing. In this case, Monday’s low at 7921 is the pivot. Bu picky with entries...7960 is support. I favor longs into 7960 against 7920 for extension towards 8150.

LEVELS: **7921** 7958 7976 **8009** 8062 8148

USDCAD Support is Now 9844-9877

Daily Bars

[Template: TA]



Prepared by Jamie Saettele, CMT

The USDCAD traded to its highest level since 8/10 today before coming off slightly. RSI holding above 40 at the recent closing low (10/8) is one piece of evidence that suggests a more important turn. 9844/77 is now support with 9763 serving as the pivot (above is bullish).

LEVELS: 9763 9844 9877 9964 10024 10084

USDCHF Momentum Divergence Worthy of Consideration Daily Bars



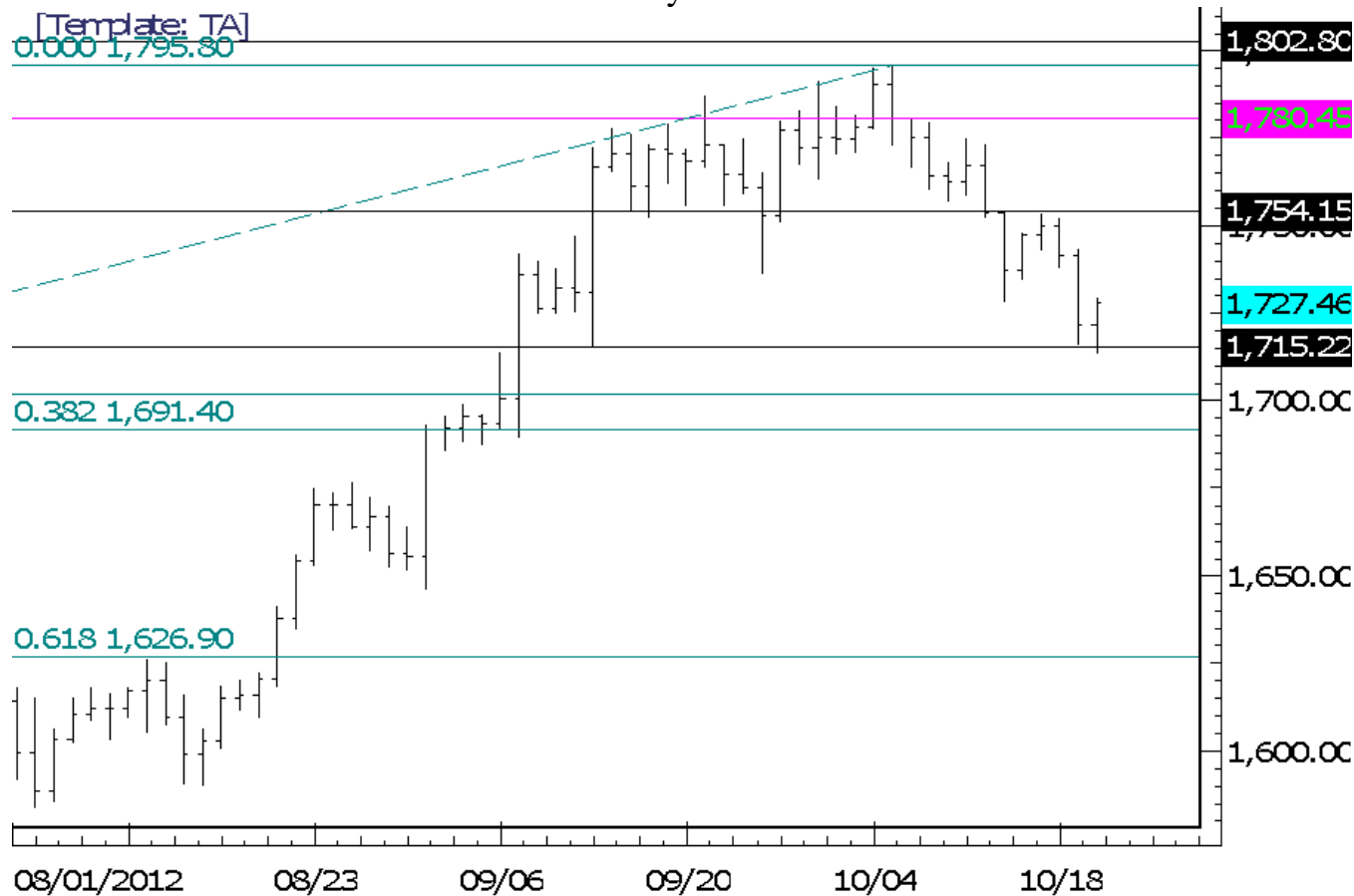
Prepared by Jamie Saettele, CMT

“The USDCHF registered new lows last Wednesday daily RSI never pierced 30. This is a sign of potential exhaustion. The EURUSD also failed to make a new high Wednesday (intermarket divergence). I’m not trying to pick a bottom here but I am pointing out new shorts are high risk. Exceeding 9305 would warn that the trend has changed.”

LEVELS: 9184 9214 9248 9305 9352 9380

Gold Finding Support at Expected Levels

Daily Bars



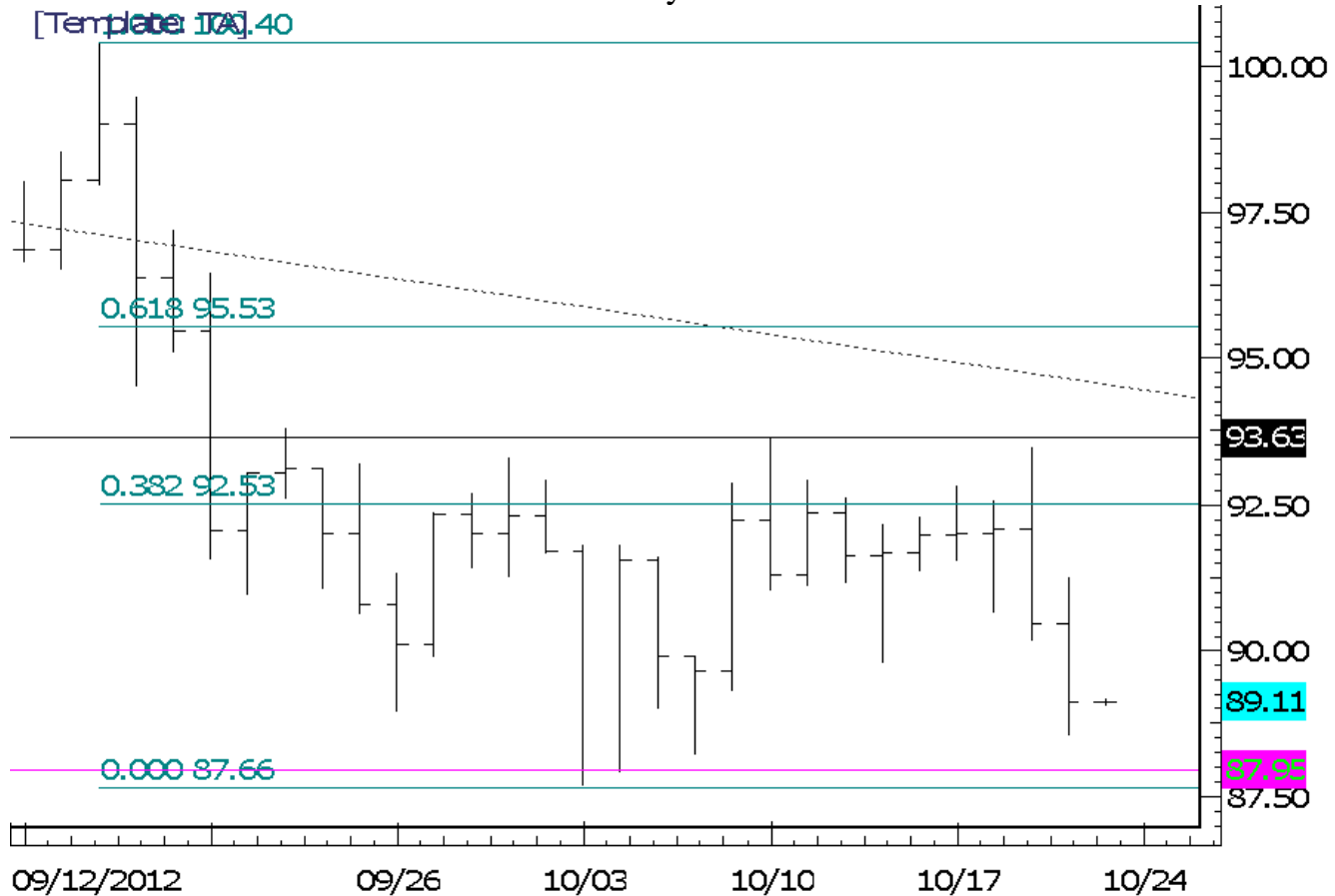
Prepared by Jamie Saettele, CMT

“This is a level that could produce a low although 1715 (9/13 low) is probably stronger. The drop has shifted reward/risk to bulls against the 9/7 low at 1689.” Gold slipped just below 1715 today before rallying over \$10. At least a short term low appears to be in place and focus is higher towards 1753.

LEVELS: 1691 1700 1713 1754 1770 1780

Crude Eyes Lows and Bearish Continuation

Daily Bars

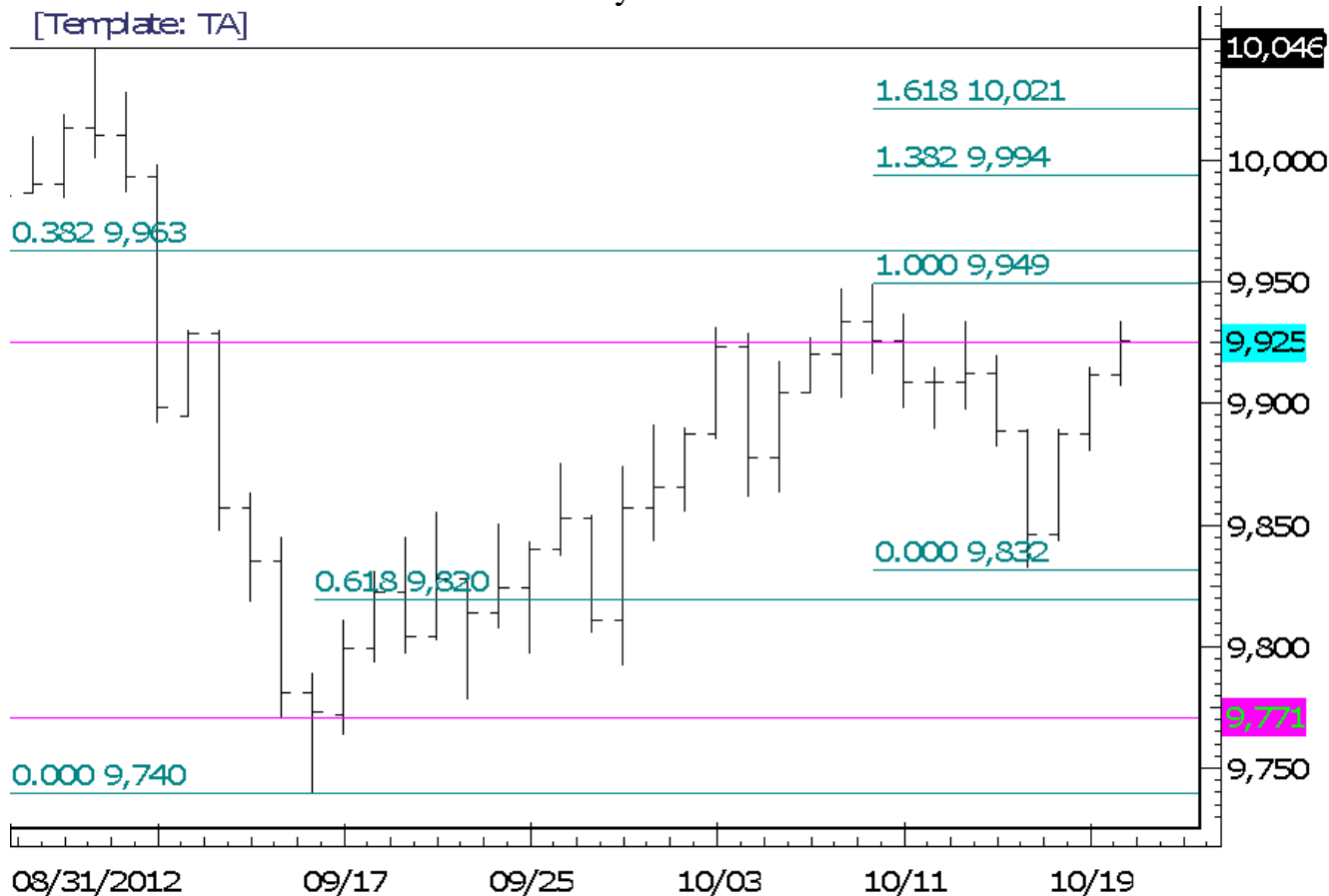


Prepared by Jamie Saettele, CMT

“The 10/15 low is viewed as the latest pivot so respect potential for a return to 9400 and perhaps the 61.8% retracement of the decline from 10040 at 9553. However, new longs at the top of the range (current level) aren’t wise given current range conditions. I don’t see a trade here.” The 10/15 gave way today and crude is at the bottom of the range (for October). Those bent on trading crude can use Monday’s high as a level to hold a bearish bias against for a break to lower levels but crude’s false break tendencies make me gun shy.

LEVELS: 8550 8684 8795 8983 9064 9125

USDOLLAR at Top of Range During a Range Month Daily Bars



Prepared by Jamie Saettele, CMT

The Dow Jones FXCM Dollar Index (Ticker: [USDOLLAR](#)) is at the top of its range (for October). Given extremely bearish sentiment at the September lows, I respect potential for an upside break and eventual test of 10046 but chasing at the top of the range is never a good idea. The decline from 9949 is in 3 waves, which does warrant a bullish bias on dips. 9871/89 is support.

LEVELS: 9846 9889 9907 9949 9963 9994

--- Written by Jamie Saettele, CMT, Senior Technical Strategist for DailyFX.com

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Jamie is the author of [Sentiment in the Forex Market](#).