

WED, July 16'08 7:57 am EST  
**DAILY TECHNICAL STRATEGIST**

### **EURUSD: EUR Hits Intra Day Highs, Fails To Sustain Gains**

**EURUSD:** Although EUR still maintains a clear pattern of higher highs and higher lows in both the medium and longer term, its challenge on the upside Tuesday to a new year high of 1.6037 and subsequent collapse suggest that downside weakness could be seen with nearer term support coming in at the 1.5947 level, its July 11'08 high. A push below here will put the pair in position to weaken further towards the 1.5895/1.5912 area, its Mar 31'08/July 03'08/April 10'08 where a break will target the 1.5626/1.5547 and then the 1.5360/64 zone, its .382 Fib Ret/ Jun 05'08 low. Its daily Stochastics has started turning lower supporting the above scenario. Significant resistance continues to be seen at the 1.6018/37 zone, which marks its April 22'08/YTD highs with others located at its 1.272 Fib Ext at 1.6182 and then the 1.6380 level, its 1.618 Fib Ext on invalidation of the former. On the whole, EUR remains vulnerable having failed above the 1.6018 level Tuesday and is likely to face downside pressure if the mentioned resistance remains unbroken.

<b>Support</b>	<b>Comments</b>
1.5947	July 11'08 high
1.5895/1.5912	Mar 31'08 high/July 03'08/April 10'08 high
1.5650/30	Jun 20'08 high/Daily 50 ema
1.5593/47	May 06'08 high/LT Rising Trendline
<b>Resistance</b>	<b>Comments</b>
1.6018	YTD high
1.6182	1.272 Fib Ext
1.6380	1.618 Fib Ext

Daily Chart: EURUSD



## **GBPUSD: GBP Maintains Its Strength, Continues To Target The 2.0191 Level**

**GBPUSD:** GBP decisively broke and closed above its July 02'08/April 21'08 highs at 2.0004/26 Tuesday setting a new three-month high of 2.0155 before giving back some of those gains to close the session at 2.0053. Despite this, the pair remains biased to the upside having held above its psycho level at 2.0000 and now leaves it aiming at the 2.0191 level, its Mar 27'08 high where a clean penetration and negative should see it heading further higher towards its Mar 14'08 high at 2.0398. Its weekly and daily studies remain supportive of this view as they are both positive and trending higher. Pullbacks or setbacks if seen at this stage should turn focus to the 2.0004/26 levels initially and thereafter the 1.9850 level, its May 23'08 high ahead of the 1.9800/1.9790 zone, its Jun 09 & 20'08 highs. Additionally, further support lies at the 1.9643 level, its July 07'08 low. All in all, having convincingly taken out the 2.0004/26 levels, the pair is now poised trade higher in the days and weeks ahead.

<b>Support</b>	<b>Comments</b>
2.0004/26	July 02'08/April 21'08 highs
1.9850	May 23'08 high
1.9800/1.9790	Jun 09 & 20'08 highs
1.9643	July 07'08 low

<b>Resistance</b>	<b>Comments</b>
2.0191	Mar 27'08
2.0396	Mar 14'08 high

## Daily Chart: GBPUSD



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