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WEEKLY TECHNICAL STRATEGIST

EURUSD: Erodes Its Sideways Trading Range, Turns Focus To The 1.4967/51 Levels.

EURUSD- EUR experienced its biggest weekly losses since May'1995 decisively breaking and closing below its three month range and taking out its key support at the 1.5304/1.5285 zone (May/Jun'08 lows) in the process to end the week at 1.5008. Having lost the mentioned key support, attention has now turned to its strong weekly chart level at the 1.4967/51 zone, representing its range highs from Nov'07 and Jan'08 with a trade below there exposing its .786 Ret(1.4310-1.6038 rally) at 1.4728. Beyond there will put the pair in position to head further lower targeting its range breakout price objective at 1.4565, established by measuring the width of the range and projecting it from the break out point. This breakout price target remains the same whether it is interpreted as a double top or a rectangle pattern. Resistance on any recovery from the present price level will now aim at its invalidated range bottom at the 1.5304/1.5285 zone (May/Jun'08 lows) ahead of the 1.5468 low, its Jun 23'08 low and then its July 24'08/July 30'08 lows at 1.5527/21. Its weekly RSI and Stochastics continue to trend lower suggesting further declines though those (studies) of the daily chart are oversold, a sign that a bounce may occur. On the whole, having broken and maintained below the 1.5304/1.5285 zone, EUR has now opened the door for a run at the 1.4967/51 zone or even lower.

Directional Bias:

Nearer Term -Bearish
Short Term -Bearish
Medium Term -Mixed

Performance in %:

Past Week: -3.63%
Past Month: -1.11%
Past Quarter: +0.01%
Year To Date: +2.89%

Weekly Range:

High -1.5631
Low -1.4998

Weekly Chart: EURUSD



GBPUSD: GBP Declines Through The 1.9364/37 Zone, Poised To Weaken Further

GBPUSD-A third week of consecutive losses saw GBP breaking below its key support at its Jan/May lows at 1.9364/37 and activating a break of its descending triangle leaving a medium term price target at 1.8280. This is established by measuring the width of the range and projecting it from the breakout point. Nearby support rests at the 1.9180/42 area, its Mar'07 low/ August'06 high and then the 1.9012 level, its weekly 200 ema. The pair remains supported in its medium term downside trend by its weekly and quarterly momentum indicators which are negative. While any signs of weakness are yet to be seen on the part of price action, oversold condition on the daily time frame may trigger a nearer term consolidation to recovery. In such a case, the 1.9364/37 zone just invalidated should reverse roles and provide resistance but if this zone gives way the 1.9407 level, its June 13'08 low will be aimed at with a loss of there setting up the pair for further recovery towards its Jun 23'08 low at 1.9584. All in all, GBP has triggered the resumption of its medium term decline started at the 2.1160 high in early Nov'07 and any recovery seen at this stage is corrective.

Directional Bias:

Nearer Term -Bearish
Short Term -Bearish
Medium Term -Bearish

Performance in %:

Past Week: -2.77%
Past Month: -0.55%
Past Quarter: +0.51 %
Year To Date: -3.27%

Weekly Range:

High -1.9761
Low -1.9146

Weekly Chart: GBPUSD



USDJPY: Clears The 108.59/61 zone, Now Faces A Band Of Overhead Resistance

USDJPY- USDJPY has decisively broken and closed above its strong weekly resistance levels at the 108.59/61 zone, which marks its Jan/Jun'08 highs. This development has now left the pair targeting its emas, chart levels and fib Ret as overhead resistance with its weekly 100 ema currently at 111.06 coming in as the initial upside objective followed by its Sept'07 low/weekly 200 ema at 112.60/71 and next its .618 Ret (124.15-95.75 decline)/Oct'07 low at 113.26/34. Clearing these band of resistance levels should set the stage for further higher prices towards the 114.66 level, its Dec'07 high. Bullishness continues to be seen from its monthly to its weekly studies though the latter is in an overbought territory. However, pullbacks from its current sharp run to the upside if seen should target the 109.98 level, its .50 Ret at first and then the 108.59/61 zone with another downside objective located at its August 01'08 low at 107.29. On the whole, the pair has resumed its medium term recovery off the 95.75 low and now looks to head further higher in the days and weeks ahead.

Directional Bias:

Nearer Term -Bullish
Short Term -Bullish
Medium Term -Bullish

Performance in %:

Past Week: +2.35%
Past Month: +1.59%
Past Quarter: +6.27%
Year To Date -1.39%

Weekly Range:

High -110.37
Low -107.46

Weekly Chart: USDJPY



Charts : Courtesy of ProRealtime.

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