

TUE, Sept 16'08 7:47 am EST
DAILY TECHNICAL STRATEGIST

EURUSD: EUR May Retest The 1.3882 Level, Prints A High Wave Candle.

EURUSD: While EUR's rise off the 1.3882 level tested and collapsed at the 1.4481 level to close lower printing a high wave candle pattern (a sign of confusion) on Monday, failing to turn higher and resuming the said nearer term recovery remains suggestive of a return to its Sept 11'08 low at 1.3882. A clean break below there should put the 1.3852 level, its July'07 low under pressure where a turn below there will extend further price weakness towards the 1.3361 level, its Aug'07 low. Upside objectives are now seen at the 1.4366/10 zone, its Jan'08/Dec'07 lows and its Sept 08'08 high at 1.4429 where a decisive penetration will call for a move towards its Sept 15'08 high/broken LT trendline currently at 1.4481/1.4506. Its daily Stochastics which has now turned bullish remains supportive of this view. On the whole, having collapsed off its intraday high at 1.3882 and printed a high wave candle, EUR may be shaping up for a retest of the 1.3882 level.

Support	Comments
1.4015	Oct'07 low
1.3882/52	Sept 11'08 low/July'07 high
1.3361	Aug'07 low
1.3264	July'07 low
Resistance	Comments
1.4366/10	Jan'08/Dec'07 lows
1.4429	Sept 08'08
1.4481/1.4506	Sept 15'08 high/Broken LT trendline

Daily Chart: EURUSD



GBPUSD: Halts Nearer Term Recovery Strength.

GBPUSD: A follow-through to the upside on the pair's recovery started at the 1.7447 level, its Sept 11'08 was halted after it failed to hold on to intra day gains Monday leading to a lower close and formation of a high candle. While the said high continues to hold, the pair looks to turn lower and possibly retarget its recent low at 1.7447. Before there resides the 1.7766 level, its Sept 15'08 low. The next key support below the 1.7447 level is seen at the 1.7251 level, its April'06 low. EUR's medium term bearish structure remains supportive of this view. However, if a return above the 1.8128 area (Sept 15'08 high) materializes further upside gains aiming at its Jun'06 low at 1.8091 and then the 1.8177 level, its July 16'06 low is expected. Higher daily stochastics remains supportive of this outlook. All in all, as long as the current nearer term upside recovery continues to lose momentum, EUR looks to resume its medium term weakness.

Support	Comments
1.7766	Sept 15'08 low
1.7251	April'06 low
1.7130	Dec'05 low
1.7049	Nov'05 low

Resistance	Comments
1.7976	Sept 08'08 high
1.8090	Jun'06 low
1.8176	July 16'06 low

Daily Chart: GBPUSD



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