

WED, Sept 17'08 8:10 am EST
DAILY TECHNICAL STRATEGIST

EURUSD: Weakness Off The 1.4481 Level Continues To Be Seen.

EURUSD: Having failed to push through the 1.4481 level after embarking on a corrective recovery off its recent low at the 1.3882 level (Sept 11'08 low), EUR continues to face downside pressure trading and closing lower at 1.4073 Tuesday. While the 1.4481 level remains as overhead resistance weakness is expected. In such a case, the 1.4015 area, its Oct'07 low will come in as the first target and then its Sept 11'08/July'07 lows at 1.3882/52. This zone is further supported by its LT rising trendline (weekly chart) dating back to Feb'2002 currently at 1.3915. Breaking and maintaining below this area will put the pair in position to resume its medium term downtrend and decline further towards the 1.3361 level, its Aug'07 low. However, a break above the 1.4481/1.4507 is required to trigger the continuation of its nearer term recovery off the 1.3882 level. If this occurs, its .382 Ret (1.6038-1.3882 decline) at 1.4707 will be aimed at ahead of its Aug 21'08 high at 1.4909. Daily studies are supportive of this scenario as they are now pointing higher. On the whole, while vulnerability of lower prices continues to be expected, breaking and closing above the 1.4481 level will be needed to now put that view temporary on hold.

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
1.4707	.382 Ret(1.6038-1.3882 decline)

Daily Chart: EURUSD



GBPUSD: Sees Further Weakness.

GBPUSD: Although the daily Stochastics continues to point higher supporting the halted nearer term recovery off the 1.7447 low, a second-day of lower prices voids any recovery upside argument and continues to paint a further bearish outlook for the pair with downside losses expected towards the 1.7766 level, its Sept 15'08 low ahead of the 1.7447 level and then the 1.7251 level, its April'06 low. Higher time frame charts are in alignment with this view. Alternatively, a close back above the 1.8128 area (Sept 15'08 high) will open up upside risk towards its Jun'06 low at 1.8091 with a loss of here creating scope for further strength targeting the 1.8177 level, its July 16'06 low. All in all, as long as the 1.8123 level remains unbroken, the pair's corrective recovery off the 1.7447 low remains on hold implying that its broader weakness towards that mentioned support and even lower is envisaged.

Support

1.7766	Sept 15'08 low
1.7447	Sept 11'08 low
1.7251	April'06 low
1.7130	Dec'05 low

Comments

Resistance

1.7976	Sept 08'08 high
1.8090	Jun'06 low
1.8123	Sept 15'08 high
1.8176	July 16'06 low

Comments

Daily Chart: GBPUSD



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