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WEEKLY TECHNICAL STRATEGIST

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■ **USDJPY: Recovery Off Its YTD Low at 90.91 Sees USDJPY Close Sharply Higher.** USDJPY decisively cleared its USDJPY saw a sharp recovery off its YTD low at 90.91 to close the week higher at 98.47 and open up upside risk towards its psycho level at 100.00...[Learn more](#)



Loss Of Momentum At The 1.3298 Level Leaves EUR Aiming For A Recapture Of Its YTD Low.

EURUSD- Although a first weekly higher close occurred the past week since EUR tumbled off its Sept 22'08 high at 1.4867 to hit a low of 1.2330 on Oct 28'08, that strength waned Thursday and Friday ahead of the 1.3259 level (Oct 10'08 low) pushing the pair to as low as 1.2668. This is coming on the back of a failure at 1.3298 and subsequent hammer candle pattern (top reversal signal) formation. We maintain that the pair's corrective recovery started at the 1.2330 level has halted and opened up downside weakness back towards its YTD low at 1.2330. A clearance of the latter is now envisaged to trigger its medium term decline towards the 1.2134 level, its .50 Ret (its 0.8231-1.6038 high, monthly chart) followed by the 1.1827 level, its Mar'06 low and then its Nov'05 low at 1.1640. Longer term charts remain supportive of this view. Resistance level are located at the 1.2728 level, its Oct 22'08 low and the 1.3005/58 area, its Oct 23'08 high/.618 Ret (0.8231-1.6038 rally, monthly chart) with a break through there targeting the 1.3259/98 level, its Oct 10'08 low/Oct 30'08 high. On the whole, having reversed its corrective recovery off the 1.2330 level, risk of a decline retargeting that level and beyond is now expected

Directional Bias:

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

Performance in %:

Past Week: +0.82%
Past Month: -5.03%
Past Quarter: -9.87%
Year To Date: -12.75%

Weekly Range:

High -1.3298
Low -1.2330



Prints An Evening Star Candle Pattern, Looks To Weaken Through The 1.6000 Level And Beyond

A follow-through to the downside on a doji formation saw the pair weaken to as low as 1.6007 on Friday. With this development, an evening star candle pattern (top reversal signal, daily chart) is now in place suggesting additional declines are now shaping up towards the 1.6000 level ahead of the 1.6576 level, its Jan'03 low. Below here will set the pair up for a move towards its Aug'2003 low at 1.5471 and subsequently the 1.5265 level, its Oct 24'08 low. Triggers for the resumption of its medium to long term downside are seen below the latter with downside objective seen at the 1.5219 level, its Oct'02 low followed by the 1.4837 level, its Oct 2001 high. On the upside, resistance runs through the 1.6347 level, its Oct 23'08 high, the 1.6673 level, its Oct 30'08 high with a break there setting the stage for further upside gains towards the 1.6786 level, its Oct 10'08. All in all, GBP's medium to long term bearishness remains intact and its recent corrective recovery failure at the 1.6673 level has now cleared the way for more downside losses.

Directional Bias:

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

Performance in %:

Past Week: +1.09%
Past Month: -9.84%
Past Quarter: -10.54%
Year To Date: -19.03%

Weekly Range:

High -1.6673
Low -1.5279



Recovery Off Its YTD Low at 90.91 Sees USDJPY Close Sharply Higher.

USDJPY- USDJPY saw a sharp recovery off its YTD low at 90.91 to close the week higher at 98.47 and open up upside risk towards its psycho level at 100.00. This is coming on the heels of its recent medium term decline off the 110.67 level to a low of 90.91 in late Oct'08. Although the mentioned recovery has not shown any signs of reversal yet as both momentum indicators and price (daily chart) still look to further upside, such gains if seen remains corrective of its medium term decline and should turn lower in line with it on ending that correction. In such a case, its Mar'08 low at 95.75 will be targeted initially and then the 90.91 level with a loss of there turning focus to the 86.52 level, its 1.618 Fib Ext. Longer term support lies at the 79.70 level, its April'1995 low. Its weekly RSI has now turned higher from the oversold zone supporting its current upside bounce. On the whole, corrective recovery has now taken hold of USDJPY but still maintains its overall medium term bearishness.

Directional Bias:

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

Performance in %:

Past Week: -4.41%
Past Month: -7.12%
Past Quarter: -0.03%
Year To Date -11.88%

Weekly Range:

High -99.71
Low -90.91

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