

## 2010-05-07\_European Forex Technicals

European Forex Technicals: USD Consolidating Gains

7 May 2010, 06:35

By Francis Bray

A DOW JONES NEWSWIRE COLUMN

LONDON (Dow Jones)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0307 GMT	1.2695	92.36	1.4819	1.1127
3 Day Trend	Bearish	Range	Bearish	Bearish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3910	92.17	1.5746	1.0622
3rd Resistance	1.2857	93.33	1.5100	1.1266
2nd Resistance	1.2770	93.01	1.4980	1.1246
1st Resistance	1.2754	92.58	1.4931	1.1188
Pivot*	1.2662	90.85	1.4896	1.1134
1st Support	1.2605	91.55	1.4788	1.1100
2nd Support	1.2586	90.01	1.4713	1.1015
3rd Support	1.2510	87.95	1.4500	1.0907

Intraday EUR/USD: Stages a corrective recovery off Thursday's 14-month low at 1.2510, and the higher low at 1.2586 promotes room for further gains towards the 1.2754 upside target. There is maximum upside scope to the 1.2857 lower high, which coincides with a 1.618 upside target. Failure to meet the initial 1.2754 target, combined with a break below 1.2586 would bring the focus back onto the 1.2510 low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Rejects Thursday's low at 87.95 to stage a strong recovery, and the 93.01 upside target is within striking distance. This is a projection off the 90.01 intraday higher low, and resistance in the 93.33 area is likely to be tested. Only below 90.01 would question the bullish outlook.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Stages a corrective recovery off Thursday's fresh one-year low at 1.4713, but resistance has capped strength at 1.4931 to leave the 1.4713 low vulnerable. The dominant trend is bearish, and a break below there would prompt further weakness towards the 1.4500 area. Regaining ground above 1.4980 and 1.5100 is required to lift the tone.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Thursday's higher high, lower close off an effective one-year high at 1.1246 marks a peak to the recent strong uptrend, and bear pressure is looking to break back below the 1.1100 level. Such a break would bring the focus back onto Thursday's low at 1.1015, and corrective weakness has maximum scope for the 1.0907 area. Regaining ground above 1.1188 is required to re-open the 1.1246 high.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0347 GMT	0.8544	117.47	1.4131	0.8910
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8838	128.16	1.4759	0.8862
3rd Resistance	0.8625	119.66	1.4260	0.9117
2nd Resistance	0.8603	119.22	1.4200	0.9074
1st Resistance	0.8583	118.11	1.4166	0.8980
Pivot*	0.8493	115.20	1.4137	0.8892
1st Support	0.8445	115.60	1.4117	0.8825
2nd Support	0.8429	114.66	1.4055	0.8784
3rd Support	0.8401	113.69	1.4005	0.8725

Intraday EUR/GBP: Stages a promising recovery off Thursday's 10-month low at 0.8429, and the push above 0.8567 opens 0.8583 and 0.8603. However, dominant bears are likely to cap gains beneath 0.8603, and prompt a fresh setback towards the 0.8429 low. Congested support lies in the 0.8400 area, which remains a key downside target.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Thursday's strong recovery off the 9-year and 4-month low at 110.49 regains the 117.00 level, and is pushing higher towards key resistance at 119.22 and 119.66. The former represents 50% retracement of the dominant 127.95/110.49 decline, and former range lows at 119.66 should limit the scope for corrective gains. Only the loss of the intraday higher low at 114.66 would expose the 110.49 low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Stages a recovery off Thursday's fresh all-time low at 1.4005, and is probing above former range lows at 1.4144. Resistance at 1.4200 is the immediate objective for this recovery, but the dominant trend is bearish, and corrective gains should be limited to this 1.4200 area. Loss of the 1.4055 intraday higher low is required to leave the 1.4005 low vulnerable.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Recovers strongly off Thursday's effective 3-month low at 0.8725, and consolidation is set to extend towards the 0.8980 area. This marks the 38.2% retracement of the 0.9381/0.8725 decline, and a break through there is required to further lift the tone towards 0.9074. A break below 0.8825 would bring the focus back onto the 0.8725 low.

Weekly chart AUD/USD trend: Bearish.

\* The pivot is the sum of the high, low and close divided by 3.

For more technical analysis see: Dow Jones Newsires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

May 07, 2010 00:35 ET (04:35 GMT)