

2010-05-17_European Forex Technicals

European Forex Technicals: USD Bulls In Control Vs EUR, GBP

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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 0503 GMT	1.2295	92.04	1.4363	1.1393
3 Day Trend	Bearish	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3834	92.20	1.5688	1.0653
3rd Resistance	1.2440	92.95	1.4500	1.1561
2nd Resistance	1.2373	92.50	1.4435	1.1500
1st Resistance	1.2343	92.38	1.4363	1.1446
Pivot*	1.2430	92.45	1.4561	1.1276
1st Support	1.2234	91.76	1.4256	1.1393
2nd Support	1.2190	91.36	1.4231	1.1340
3rd Support	1.2100	91.05	1.4111	1.1322

Intraday EUR/USD: The sharp bear trend in EUR continues after pushing into fresh four-year lows Monday, and the trend is set to continue beneath the current session low at 1.2234. Congested support lies at 1.2190, but the failure to keep this area intact would prompt a downside extension towards 1.2100 and 1.2062. Corrective gains need to regain ground above 1.2373 just to provide respite towards 1.2440, but upside scope is limited.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Probes into fresh 5-day lows below 91.80 to extend the setback off the May 13 bull trap high at 93.65, and renewed bear pressure is expected on Monday's current session low at 91.76. A break below there would upgrade the decline off 93.65, bringing 91.05 and the May 7 higher low at 90.83 into the frame. Above 92.50 is required to lift the tone and open the 92.95/93.10 resistance levels.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Forces a break into fresh 13-month lows following the break below 1.4477 Monday, and renewed bear pressure is expected on support at 1.4256. Significant support levels below there are a little thin on the ground, with minor levels at 1.4231 and 1.4111 lying in front of the psychological 1.4000 level. The 1.4500 area is expected to cap corrective upside.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Monday's strength extends the solid bull trend following Friday's break above 1.1245, to meet a key upside target at 1.1418. With bull momentum on the increase, the dominant threat is for renewed bull pressure on resistance at 1.1446, opening the psychological 1.1500 level and creating scope for 1.1561. There is a risk of consolidation back to the 1.1322 area, having met the 1.1418 upside target, but this would only occur on a break below 1.1393.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0539 GMT	0.8558	112.97	1.4013	0.8767
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8821	127.50	1.4718	0.8866
3rd Resistance	0.8646	116.12	1.4036	0.8892
2nd Resistance	0.8617	114.77	1.4030	0.8855
1st Resistance	0.8589	113.80	1.4022	0.8800
Pivot*	0.8539	114.98	1.4013	0.8895
1st Support	0.8500	112.47	1.3997	0.8725
2nd Support	0.8445	111.47	1.3967	0.8700
3rd Support	0.8429	110.49	1.3903	0.8617

Intraday EUR/GBP: Friday's bearish engulfing candle prompts weakness off 0.8617 back to the 0.8500 level, and despite Monday's bounce, bears look set to put more pressure on 0.8500. A break below there would leave the 0.8445 higher low vulnerable, which protects the 2010 low at 0.8429. Above 0.8589 would re-open the 0.8617 high, although only above there would question the bearish outlook.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Extends the setback off the May 10 reaction high at 122.29 following Monday's break below 113.50, and below 112.47 would bring the 2010 low at 110.49 into focus. Bear momentum has increased following the May 13 lower high at 118.75, and fresh lows below 110.49 for the 1.618 downside extension target at 109.49 cannot be ruled out. Above 113.80 is required to provide respite, although scope for corrective upside is limited at this stage.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Bears continue to apply pressure on last week's all-time low at 1.3997 as the severe bear trend remains intact. Once below there, 1.3967 would become the immediate downside target, but there is scope for further weakness to the 1.618 extension target at 1.3903. Above 1.4030 is required to provide temporary respite.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Sharply extends the setback off the May 10 reaction high at 0.9077 to put the May 6 reaction low at 0.8725 under pressure. Bears have increased their longer-term stranglehold on the market, and should limit corrective gains to the 0.8855 area. Below 0.8725 would prompt fresh three-month lows towards 0.8700 and 0.8617.

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 Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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