

European Forex Technicals: GBP/USD Bulls Target 1.5225

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A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0455 GMT	1.2384	89.43	1.5051	1.0927
3 Day Trend	Bullish	Bearish	Bullish	Bearish
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3422	91.90	1.5412	1.0846
3rd Resistance	1.2467	90.19	1.5120	1.1050
2nd Resistance	1.2433	89.78	1.5104	1.1036
1st Resistance	1.2400	89.52	1.5079	1.0986
Pivot*	1.2340	89.41	1.4999	1.1036
1st Support	1.2345	89.21	1.5010	1.0895
2nd Support	1.2300	88.95	1.4925	1.0834
3rd Support	1.2254	88.54	1.4856	1.0823

Intraday EUR/USD: Friday's strength keeps the rally off 1.2209 alive, and is set to recapture the 1.2400 level to open the wave equality target at 1.2433. However, last week's bearish hanging man candle suggests the recent 1.2490 reaction high is likely to remain intact. Failure to meet the 1.2433 upside target would concern bulls, but only a break below the 1.2254 low would put near-term bears back in control.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Friday's marginal low at 89.21 is back under renewed pressure as the short-term bear trend looks set to extend towards the May 20 reaction low at 88.95. A downwave equality target lies at 88.54, but longer-term bears are eyeing the key May 6 reaction low at 87.95. Only a sustained break above 89.78 would provide temporary respite, but the 90.19 resistance area should limit the scope for corrective gains.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Friday's bullish outside day managed a close above 1.5000 for the first time since May 5, and the 1.5104 equality target is likely to be met Monday. Former highs at 1.5010 revert to support to help protect Friday's low at 1.4856, and from a slightly longer-term perspective, the 1.5225 resistance cluster is likely to be tested. Failure to meet the 1.5104 target, combined with a break below 1.4925 is required to question the bullish outlook.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: The short-term bear trend extends following Monday's probe below 1.0921, and support at 1.0895 is set to come under renewed pressure. The 1.0823/1.0834 support area is the immediate target, with the lower boundary formed by the 50% retracement level of the dominant 0.9916/1.1730 rally. Corrective strength should be limited to the 1.0986 area.

Weekly chart USD/CHF trend: Bearish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0520 GMT	0.8225	110.72	1.3522	0.8754
3 Day Trend	Bearish	Range	Bearish	Bullish
Weekly Trend	Bearish	Range	Bearish	Bullish
200 day ma	0.8707	123.35	1.4520	0.8769
3rd Resistance	0.8330	111.64	1.3628	0.8858
2nd Resistance	0.8300	111.37	1.3565	0.8831
1st Resistance	0.8272	110.90	1.3555	0.8780
Pivot*	0.8230	110.30	1.3533	0.8700
1st Support	0.8204	110.24	1.3506	0.8712
2nd Support	0.8180	109.89	1.3456	0.8675
3rd Support	0.8119	109.53	1.3386	0.8636

Intraday EUR/GBP: Weakens off Friday's high at 0.8272 to put support at 0.8204 under threat, as the June 24 19-month low at 0.8180 looks vulnerable to a retest. Last week's bearish candle portends a break below 0.8180, exposing 0.8119 and the 1.618 extension target at 0.8083. Only above 0.8272 would question the bearish outlook, opening 0.8330.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Remains above the June 24 recovery low at 109.53, and Friday's high at 110.90 is under threat. A break above there would open the 111.25/37 resistance area, and short-term pivotal resistance at 111.64. The daily chart is taking the shape of a one-month inverse head-and-shoulders base, and a sustained break above 111.64 would open neckline resistance around the 113.00 level for later this week. Support lies at 109.89 to protect the 109.53 low.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Stages a recovery off Friday's all-time low at 1.3456, and is close to testing resistance at 1.3555. Friday's downside breakout at 1.3565 completed a symmetrical triangle pattern, and this level will also provide resistance protecting the triangle highs at 1.3620 and 1.3628. Loss of 1.3506 would bring the focus back onto the 1.3456 low, and a support cluster at 1.3386/89 lies below there.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Friday's strong recovery off 0.8595 left the 0.8583 downside target unmet, and the focus is on the June 23 lower high at 0.8780. A break above there would set the 0.8595 bear failure in stone, prompting further strength towards 0.8831 and the June 21 reaction high at 0.8858. Corrective weakness will attract support while above the 0.8675 area, protecting the 0.8636 intraday higher low.

Weekly chart AUD/USD trend: Bullish.

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

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

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