

European Forex Technicals: New EUR/CHF Lows Towards 1.2806

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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 0451 GMT	1.2657	84.24	1.5463	1.0234
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	1.3201	89.89	1.5436	1.0710
3rd Resistance	1.2740	85.05	1.5575	1.0310
2nd Resistance	1.2716	84.84	1.5535	1.0298
1st Resistance	1.2695	84.66	1.5475	1.0267
Pivot*	1.2699	85.01	1.5498	1.0269
1st Support	1.2632	84.04	1.5443	1.0220
2nd Support	1.2608	83.89	1.5421	1.0165
3rd Support	1.2588	83.58	1.5389	1.0075

Intraday EUR/USD: Extends the setback off last Friday's high at 1.2780 following the probe below 1.2659, and is close to key support levels at 1.2632 and 1.2608. 1.2632 represents the 76.4% retracement level of the four-day 1.2588/1.2780 rally, and the 1.2608 higher low will look to defend the August 24 low at 1.2588. The 1.2716 level has become near-term pivotal resistance, and only above there would provide respite; opening 1.2740.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The sharp bear wave off Monday's peak at 85.91 is probing beneath 84.27, and is creating scope for a return to the August 24 15-year low at 83.58. A wave equality target lies just below there at 83.48. Only regaining ground above the 84.84 lower high would question the bearish outlook; opening 85.05 and 85.16.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: The setback off last Friday's high at 1.5597 is closing in on support at 1.5443, and the support line of a bull flag lies at 1.5421 for Tuesday. GBP bulls will be keen to keep 1.5421 intact; to build on the positive weekly doji candle which touched a low of 1.5371, and is protected by a higher low at 1.5389. A break above 1.5535 is required to lift the tone and re-open the 1.5575/1.5597 highs.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Last week's seven-month low at 1.0220 is under renewed bear pressure, and a break below there is looking likely Tuesday. A minor downside target lies at 1.0165, but there is scope for the 29-month bull support line at 1.0075 on concerted weakness. Regaining ground above 1.0267 is required to defer the bearish outlook, creating scope for corrective strength towards Monday's high at 1.0310.

Weekly chart USD/CHF trend: Bearish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0513 GMT	0.8189	106.62	1.2957	0.8933
3 Day Trend	Range	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	0.8551	118.73	1.4118	0.8809
3rd Resistance	0.8281	108.45	1.3108	0.9029
2nd Resistance	0.8235	107.78	1.3073	0.8997
1st Resistance	0.8200	107.20	1.3007	0.8975
Pivot*	0.8188	107.91	1.3040	0.8954
1st Support	0.8163	106.35	1.2934	0.8911
2nd Support	0.8156	105.44	1.2845	0.8895
3rd Support	0.8137	105.00	1.2806	0.8846

Intraday EUR/GBP: Remains confined within a pennant formation protecting the August 25 high at 0.8235, and will look to regain 0.8200 in order to re-open 0.8235. Resistance at 0.8235 has become crucial, as a break above there would effectively leave the August 20 low at 0.8137 as a bear failure low and open the 0.8281 lower highs. Retesting the 0.8156/63 pennant lows would suggest the bear wave will look to renew pressure on the 0.8137 low.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's wide-ranging bearish engulfing pattern defines the near-term tone, and the break below 106.99 paves the way for further weakness towards 106.35. 106.35 is effectively the last line of defence protecting the August 24 eight-and-a-half year low at 105.44, and a break below 105.44 would expose 105.00 and 104.71. Scope for corrective upside is extremely limited at this stage, with resistance lying at 107.20 and 107.78.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Dominant bears are setting fresh all-time lows below 1.2971 Tuesday, and the intensity of the setback off Monday's bull failure high at 1.3147 brings the projected target at 1.2845 into focus. However, an equality target lies beneath there at 1.2806, and scope for 1.2765 cannot be ruled out on concerted weakness. Corrective strength will need to regain ground above 1.3007 in order to provide respite, but upside scope is limited.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Corrects lower off Monday's high at 0.9029 after confirming a bear failure low at 0.8770, and support at 0.8895 is expected to limit consolidation Tuesday. A break above 0.8975 would bring the focus back onto the 0.9029 high, and threaten further strength towards the August 17 lower high at 0.9079. Only below 0.8895 would concern bulls and re-expose the 0.8770 low.

Weekly chart AUD/USD trend: Range.

* 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"