

European Forex Technicals: Euro Recovery Limited

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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 0628 GMT | 1.3124 | 84.11 | 1.5619 | 1.0042 |
| 3 Day Trend | Bearish | Bullish | Bullish | Range |
| Weekly Trend | Bearish | Bullish | Bearish | Bullish |
| 200 day ma | 1.3375 | 86.44 | 1.5622 | 1.0287 |
| 3rd Resistance | 1.3309 | 85.40 | 1.5740 | 1.0150 |
| 2nd Resistance | 1.3200 | 85.00 | 1.5700 | 1.0094 |
| 1st Resistance | 1.3183 | 84.41 | 1.5650 | 1.0067 |
| Pivot* | 1.3097 | 83.99 | 1.5609 | 1.0026 |
| 1st Support | 1.3047 | 83.95 | 1.5548 | 1.0018 |
| 2nd Support | 1.2969 | 83.70 | 1.5486 | 0.9986 |
| 3rd Support | 1.2949 | 83.32 | 1.5355 | 0.9926 |

Intraday EUR/USD: The corrective recovery off 1.2969 is struggling to regain the 1.3200 level, as upside scope becomes restricted. Projected resistance at 1.3309 needs to be broken in order to improve prospects for the near-term. However, the main threat is still to the downside, and a break below 1.3047 would prompt a return to the 1.2969 low, as a downwave equality target at 1.2949 still needs to be met.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Keeping key support at 83.32 intact brings the focus back onto the week's high at 84.41. A break through 84.41 is looking increasingly likely as the uptrend threatens a wave extension towards the 85.00 level. Corrective weakness is limited to the 83.70 area, which is protected by 83.95.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Resistance at 1.5650 is under threat following the corrective recovery off 1.5486. A break through 1.5650 would attract further gains towards 1.5700 and the 1.5740 area, although upside scope looks limited to the latter. There is risk of weakness back to 1.5548, but only a sustained break below there would bring the 1.5486 low back into the picture.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Wednesday's doji neutralises the short-term uptrend after setting a fresh ten-week high at 1.0067, and a return to the 0.9986 low is threatened. A break below 0.9986 is required to put bears in control of the near-term, leaving Tuesday's low at 0.9926 vulnerable. However, Wednesday's high at 1.0067 is not too far away, and a break through there would put the uptrend back on track, opening a seven-week bear flag channel resistance line at 1.0094, and potentially the 1.0150 measured target.

Weekly chart USD/CHF trend: Bullish.

| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0641 GMT | 0.8405 | 110.44 | 1.3173 | 0.9680 |
| 3 Day Trend | Bearish | Range | Range | Bullish |
| Weekly Trend | Bearish | Bearish | Bearish | Bearish |
| 200 day ma | 0.8561 | 115.56 | 1.3738 | 0.9260 |
| 3rd Resistance | 0.8514 | 111.30 | 1.3270 | 0.9770 |
| 2nd Resistance | 0.8451 | 111.04 | 1.3230 | 0.9725 |
| 1st Resistance | 0.8439 | 110.78 | 1.3197 | 0.9700 |
| Pivot* | 0.8404 | 109.95 | 1.3124 | 0.9640 |
| 1st Support | 0.8385 | 109.95 | 1.3101 | 0.9621 |
| 2nd Support | 0.8358 | 109.28 | 1.3014 | 0.9560 |
| 3rd Support | 0.8335 | 109.10 | 1.2934 | 0.9537 |

Intraday EUR/GBP: Suffers a setback off Wednesday's high at 0.8439, as dominant bears look to regain composure and put pressure on support at 0.8385. Another intraday higher low exists at 0.8358, which will look to protect Wednesday's 10-week low at 0.8335. Only a push through 0.8439 would validate the rally, opening room for 0.8451 and 0.8514.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Wednesday's good recovery is set to retest 110.78, but is likely to run into resistance at 111.04 and 111.30. The dominant trend is still to the downside, and a push below 109.95 would prompt further weakness towards 109.28 and 109.10. Failure to hold 109.10 would bring Tuesday's low at 108.33 swiftly back into the picture. Only a break above 111.53 would put bulls in control of the near-term.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The recovery off Tuesday's 11-week low at 1.2934 is closing in on key resistance at 1.3230. A fresh wave of bull pressure is required to force a break through 1.3230, although backup resistance in the 1.3270 area limits corrective upside scope. Loss of 1.3101 would threaten a return to 1.3014 and the 1.2934 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Wednesday's bullish outside day off 0.9537 also completed a bull wedge on the 60-minute chart, and further gains are expected towards 0.9725. A sustained break through 0.9725 would enhance thoughts of leaving 0.9537 as a significant base, opening 0.9770. Loss of 0.9621 would prompt a setback towards 0.9560, but the 0.9537 low is expected to remain intact for Thursday's session.

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"