

European Forex Technicals: EUR/USD To Consolidate Gains

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A DOW JONES NEWSWIRE COLUMN

| Forex spot: | EUR/USD | USD/JPY | GBP/USD | USD/CHF |
|----------------|---------|---------|---------|---------|
| Spot 0610 GMT | 1.3345 | 82.48 | 1.5757 | 0.9797 |
| 3 Day Trend | Bullish | Bearish | Bullish | Bearish |
| Weekly Trend | Bearish | Bearish | Bearish | Bearish |
| 200 day ma | 1.3373 | 86.34 | 1.5624 | 1.0274 |
| 3rd Resistance | 1.3452 | 83.84 | 1.5825 | 0.9937 |
| 2nd Resistance | 1.3418 | 83.40 | 1.5805 | 0.9874 |
| 1st Resistance | 1.3381 | 83.00 | 1.5786 | 0.9834 |
| Pivot* | 1.3335 | 82.74 | 1.5714 | 0.9806 |
| 1st Support | 1.3277 | 82.31 | 1.5706 | 0.9778 |
| 2nd Support | 1.3246 | 82.00 | 1.5656 | 0.9725 |
| 3rd Support | 1.3185 | 81.70 | 1.5612 | 0.9665 |

Intraday EUR/USD: support at 1.3246 has held to bring the focus back onto testing Monday's peak at 1.3452. A break above 1.3381 is required to open 1.3400 and the 1.618 Fibonacci extension target at 1.3418 and only above the latter would bring the 1.3452 peak back into the picture. Failure to hold onto support at 1.3277 would question the positive outlook, exposing 1.3246.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: support at 82.31 is under threat as the bear wave off 84.41 extends. 82.31 represents 50% Fibonacci retracement of the 80.21/84.41 rally, but there is risk of further weakness testing support at 82.00. Backup support lies at 81.70. Regaining ground above 83.00 is required to lift the tone, opening resistance at 83.40.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Monday's inside day puts bulls on course for retesting last Friday's high at 1.5786. Projected resistance lies at 1.5805 and 1.5825 and a fresh wave of bull pressure is required to open the 50% Fibonacci retracement level of the 1.6298/1.5486 decline, shy of 1.5900. Loss of 1.5706 would put bears in control of the near-term, exposing 1.5656 and 1.5612.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: the setback off Monday's inside day high at 0.9874 is likely to extend towards 0.9778 and last Friday's low at 0.9725. The main downside threat is to challenge the seven-week bear flag support line, which lies at 0.9665 for Tuesday's session. Only a break above 0.9874 would defer the bearish outlook, opening 0.9937.

Weekly chart USD/CHF trend: Bearish.

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Second Table

| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0635 GMT | 0.8461 | 110.09 | 1.3074 | 0.9910 |
| 3 Day Trend | Bearish | Bearish | Bearish | Bullish |
| Weekly Trend | Bearish | Bearish | Bearish | Bullish |
| 200 day ma | 0.8559 | 115.41 | 1.3718 | 0.9278 |
| 3rd Resistance | 0.8558 | 110.90 | 1.3207 | 1.0000 |
| 2nd Resistance | 0.8525 | 110.55 | 1.3170 | 0.9957 |
| 1st Resistance | 0.8500 | 110.26 | 1.3118 | 0.9940 |
| Pivot* | 0.8474 | 110.25 | 1.3061 | 0.9892 |
| 1st Support | 0.8455 | 109.77 | 1.3000 | 0.9872 |
| 2nd Support | 0.8430 | 109.58 | 1.2934 | 0.9850 |
| 3rd Support | 0.8416 | 109.10 | 1.2902 | 0.9785 |

Intraday EUR/GBP: bear pressure is expected to build on Monday's low at 0.8455, to extend the setback off last Friday's peak at 0.8525. Testing support at 0.8416 and 0.8430 is the main downside objective, but only a sustained break below 0.8416 would put bears in control of the near-term, exposing 0.8392. Clearance of 0.8500 is required to re-open the 0.8525 peak.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: recovers strongly off 109.58 to put resistance at 110.26 to the test. However, only regaining ground above 110.55 would give this rally credence and open the key 111.07/20 resistance area. Loss of 109.77 would bring the focus back onto the 109.58 low, threatening further weakness towards the Nov. 30 reaction low at 108.33.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: bear pressure is building on 1.3000 and the dominant threat remains to the downside. A break below 1.3000 would extend the bear wave off Friday's 1.3207 high and bring the Nov. 30 reaction low at 1.2934 sharply back into the picture. This would also leave the Sep. 8 all-time low at 1.2765 vulnerable in the coming sessions. Corrective gains are limited to 1.3170, protecting the 1.3207 high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: bulls are in control of the near-term following the probe above 0.9910 and last Friday's peak at 0.9940 is the immediate target. The main threat is for further strength through the 0.9957 lower high towards 1.0000 and improving prospects for a return to the Nov. 5 reaction high at 1.0184 longer-term. Only a push below 0.9872 would negate the bullish outlook, exposing 0.9850 and 0.9785.

Weekly chart AUD/USD trend: Bullish.

* 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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