

European Forex Technicals: EUR/USD Extending Uptrend

24 Jan 2011, 08:18

By Francis Bray
A DOW JONES NEWSWIRE COLUMN

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0552 GMT	1.3597	82.77	1.5967	0.9590
3 Day Trend	Bullish	Bullish	Range	Range
Weekly Trend	Bullish	Range	Bullish	Bearish
200 day ma	1.3333	85.35	1.5633	1.0083
3rd Resistance	1.3739	83.50	1.6073	0.9686
2nd Resistance	1.3692	83.13	1.6058	0.9650
1st Resistance	1.3648	82.87	1.6014	0.9600
Pivot*	1.3565	82.73	1.5962	0.9615
1st Support	1.3500	82.53	1.5868	0.9560
2nd Support	1.3449	82.15	1.5837	0.9521
3rd Support	1.3396	81.85	1.5720	0.9446

Intraday EUR/USD: The powerful uptrend is showing no sign of abating, and has scope to extend above Monday's current session high at 1.3648. While corrective weakness is limited to the 1.3500 projected support area, a break above 1.3648 is expected to meet the wave equality target at 1.3692. Only below 1.3500 would cause concern, and prompt further weakness towards 1.3396.
Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Keeping support at 82.53 intact is underpinning the recovery, which targets a return to last week's high at 83.13. The 50% Fibonacci retracement of the 81.85/83.13 rally remains intact at 82.49, maintaining thoughts of reaching 83.50 and the Jan. 7 reaction high at 83.70 this week. Only a reversal below 82.53 would undermine the positive outlook, exposing 82.15.
Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: The recovery off 1.5837 is looking to extend above Friday's high at 1.6014, to put pressure on last week's 1.6058 reaction high. Significant resistance lies between 1.6073 and 1.6105 to suggest the upside threat is limited, and only a break through 1.6105 would re-open the Nov. 4 reaction high at 1.6298. Failure to keep hold of the 1.5837 low would put bears firmly in control, which is protected by 1.5868.
Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: The cross has become rangebound between 0.9521 and 0.9686, and is likely to remain so during Monday's session. The recovery off Monday's current session low at 0.9560 needs to force a breakthrough 0.9600 in order to open 0.9650, and bring the 0.9686 high back into the picture. Loss of 0.9560 would prompt a return to the range floor at 0.9521, and a downside break would put bears in control of the short-term, threatening a return to December's all-time low at 0.9301 in the longer-term.
Weekly chart USD/CHF trend: Bearish.

Second Table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0628 GMT	0.8519	112.61	1.3048	0.9889
3 Day Trend	Bullish	Bullish	Bullish	Bearish
Weekly Trend	Range	Bullish	Bullish	Bearish
200 day ma	0.8529	113.78	1.3432	0.9481
3rd Resistance	0.8595	113.75	1.3207	0.9973
2nd Resistance	0.8550	113.00	1.3115	0.9950
1st Resistance	0.8530	112.75	1.3068	0.9920
Pivot*	0.8499	112.21	1.3033	0.9886
1st Support	0.8468	112.25	1.2977	0.9864
2nd Support	0.8450	111.65	1.2950	0.9832
3rd Support	0.8414	110.00	1.2815	0.9804

Intraday EUR/GBP: The short-term uptrend is set to extend through 0.8530 to challenge the 0.8536/0.8550 resistance cluster. Straddled between the 38.2% Fibonacci retracement level of the 0.8941/0.8285 decline and the long-term daily moving average lies the wave equality target at 0.8541, and this cluster will look to limit strength. Only a reversal below 0.8468 and 0.8450 would create scope for a deeper setback.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Further gains are expected towards 113.00 and the key 113.75 area as the powerful uptrend extends. A wave equality target lies at 113.75, as well as the falling 200-day moving average, which protects more significant resistance in the 114.30 area. Failure to hold onto support at 112.25 would prompt a corrective setback towards 111.65, but downside risk is limited.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Bulls are poised to set fresh six-week highs on a break above 1.3068, as Friday's close above 1.3000 maintains the solid short-term uptrend. The 50% Fibonacci retracement level of the dominant 1.3835/1.2398 decline lies at 1.3115, and would become the main target on a break above 1.3068. Corrective weakness should be limited to the 1.2950 area.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Bear pressure is set to extend below 0.9832 to challenge the Jan. 12 reaction low at 0.9804. Last week's completion of a bear flag creates scope for a break below 0.9804, exposing 0.9732 initially, but a downwave equality target lies at 0.9625. A break above 0.9920 would provide respite, but only above 0.9950 would lift the tone.

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"

January 24, 2011 02:18 ET (07:18 GMT)