

FRI, Jun 06'08 6:32 am EST
DAILY TECHNICAL STRATEGIST

EURUSD: Halts Downside Decline, Begins A Corrective Bounce

EURUSD: Having tumbled off the 1.5817 high to as low as 1.5364 low Thursday, EUR rose sharply higher off that intra day low to close the session at 1.5603. The pair looks to have begun a corrective recovery following the said decline and should now move towards the 1.5817 high, its May 27'08 high initially ahead of the 1.5895/I 5912 area, its Mar 31'08 high/April 10'08 high and then its YTD high at 1.6018. The daily stochastics has turned higher supporting the current upside view. On the hand, the pair is expected to weaken on completing the mentioned recovery putting the 1.5510 level, its April 03'08 low as the first support followed by its May 08'08 low at 1.5283 or even lower towards its .50 Ret (1.4309-1.6018 high) at 1.5164. On the whole, EUR's short term outlook continues to point lower while holding below the 1.5817 level.

| Support | Comments |
|----------------|--------------------------------------|
| 1.5510 | April 03'08 low |
| 1.5360/41 | .382 Fib Ret/Mar 24'08 low/May 02'08 |
| 1.5283 | May 08'08 low |
| 1.5164 | .50 Ret (1.4309-1.6018 high) |

| Resistance | Comments |
|-------------------|---------------------------------|
| 1.5593 | May 06'08 high |
| 1.5817 high | May 27'08 high |
| 1.5895/I 5912 | Mar 31'08 high/April 10'08 High |
| 1.6018 | YTD high |



GBPUSD: Risk Still Remains Lower Towards The 1.9362/35 Zone

GBPUSD: Despite GBP's backing off its intra day low at 1.9460 Thursday, its broader bias remains to the downside opening up risk towards the 1.9360/35 area, its 2008 lows with a break below there taking it lower towards the 1.9180 level, representing its Mar'07 low. Daily studies remain supportive of this view. However, if a follow-through on its yesterday close is seen then a push towards the 1.9598 level, its April 15'08 ahead of the 1.9674/53 level, its April 25'08 low/Aug 17'07 high could ensue with a loss of there opening the door for more upside gains targeting the 1.9727/19 zone, its Mar 05'08/April 01'08 lows and next the 1.9850 level, its May 23'08 high and the 1.9963/ 2.0026 levels, its Feb 27'08/April 21 & 28'08 highs. All in all, while a higher close yesterday may suggest a temporary halt in its recent decline, as long as it continues to trade below the 1.9850, its medium term bearishness will continue to dominate.

| Support | Comments |
|----------------|-----------------|
| 1.9360/35 | 2008 lows. |
| 1.9180 | Mar'07 Low |
| 1.9045 | 1.272 Fib Ext |

| Resistance | Comments |
|-------------------|----------------------------------|
| 1.9598 | April 15'08 low |
| 1.9674/53 | April 25'08 low/Aug 17'07 high |
| 1.9727/19 | Mar 05'08/April 01'08 lows |
| 1.9963/2.0026 | Feb 27'08/April 21 & 28'08 highs |

Daily Chart: GBPUSD



Please register and have the Daily Technical Strategist Newsletter delivered to your in box each time it is produced.

Mohammed Isah
Technical Strategist
m.isah@fxstrategy.com
www.fxtechstrategy.com

This report is prepared solely for information and data purposes. Opinions, estimates and projections contained herein are those of FXTechstrategy.com own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed to be reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness and neither the information nor the forecast shall be taken as a representation for which FXTechstrategy.com incurs any responsibility. FXTstrategy.com does not accept any liability whatsoever for any loss arising from any use of this report or its contents. This report is not construed as an offer to sell or solicitation of any offer to buy any of the currencies referred to in this report.

