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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



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