

WED, July 02'08 2:48 am EST  
**DAILY TECHNICAL STRATEGIST**

**EURUSD: Hesitation Below The 1.5842 Level To Range Trading Continues To Reign.**

**EURUSD:** Although focus on the 1.5842 level, its Jun 09'08 high remains and risks of a likely break higher continues to build, EUR remains vulnerable to the downside on failing to push through the 1.5842 level bringing such failure if seen towards the 1.5650 level, its Jun 20'08 high. A clean cut through the latter should see the pair heading further lower targeting the 1.5510 level, its April 03'08 low ahead of the 1.5360/64 zone, its .382 Fib Ret/ Jun 05'08 low. The next two downside targets are located at its May 08'08 low at 1.5283 and its .50 Ret (1.4309-1.6018 high) at 1.5164. Overbought condition now seen on the daily time frame remains supportive of this downside view. On the upside, decisively taking out the 1.5842 level will pave the way for further upside incursions aiming at the 1.5895/I 5912 area, its Mar 31'08 high/April 10'08 high and then its YTD high at 1.6018. On the whole, while the pair holds on to its current upside gains off the 1.5303 low, further strength through the 1.5842 level is favoured.

<b>Support</b>	<b>Comments</b>
1.5650	Jun 20'08 high
1.5593	May 06'08 high
1.5510	April 03'08 low
1.5360/64	.382 Fib Ret/ Jun 05'08 low

  

<b>Resistance</b>	<b>Comments</b>
1.5593	May 06'08 high
1.5817/42 high	May 27'08/Jun 09'08
1.5895/I 5912	Mar 31'08 high/April 10'08 high
1.6018	YTD high

## Daily Chart: EURUSD



## **GBPUSD: While GBP Continues To Hold On To Its Recent Gains, Its Upside Outlook Remains On A Good Footing.**

**GBPUSD:** While an attempt at higher prices above its psycho level at 2.0000 failed on Tuesday, as long as the pair continues to hold and trade above the 1.9850 level, its May 23'08 high, risk remains for another attempt at the mentioned level or even higher towards the 2.0026 level, its April 21 & 28'08 highs with a break through there exposing the 2.0191 level, its Mar 27'08 high and next the 2.0396 level, its Mar 14'08 high. The weekly studies remain supportive of this scenario though the daily ones are now overbought suggesting a nearer term corrective pullback. If this plays out, the pair will aim at the 1.9850 level, its May 23'08 high initially followed by its Jun 09 & 20'08 highs at 1.9800/1.9790 and later the 1.9598, its April 15'08 low. Below that level will open the door for further lower prices towards the 1.9407 level, its Jun 13'08 low before the 1.9360/35 zone, its 2008 lows. All in all, the pair's recovery off the 1.9407 low remains constructive and looks to head further higher while maintaining above the 1.9850 level or the 1.9790 level.

<b>Support</b>	<b>Comments</b>
1.9850	May 23'08 high
1.9800/1.9790	Jun 09 & 20'08 highs
1.9598	April 15'08 low
1.9407	Jun 13'08 low

<b>Resistance</b>	<b>Comments</b>
2.0026	April 21 & 28'08 highs
2.0191	Mar 27'08
2.0396	Mar 14'08 high

## Daily Chart: GBPUSD



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Mohammed Isah  
Technical Strategist  
m.isah@fxstrategy.com  
[www.fxtechstrategy.com](http://www.fxtechstrategy.com)

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