

WED, Aug 06'08 7:09 am EST  
**DAILY TECHNICAL STRATEGIST**

**EURUSD: Weakness Looks To Continues, Range Bottom Targeted.**

**EURUSD:** Following acceleration lower through its August 01'08 minor support at 1.5514 on Tuesday, EUR has now exposed the 1.5302/1.5283 zone, representing its May/June'08 lows. While that support zone is expected to hold and turn the pair higher, failing to contain the current short term weakness should see the pair taking the said support out and targeting lower prices towards the 1.5042 level, its weekly 50 ema with a loss of there activating further downside pressure. The weekly studies are bearish and trending lower suggesting further weakness. Resistance is seen initially at the 1.5459/67 zone, its 786 Ret/Jun 23'08 low and then its July 24'08/July 30'08 lows at 1.5527/21 followed by the 1.5694/96 area, its daily 50 ema. Further upside targets will aim at its July 28'08 high at 1.5766 and the 1.5842 level, its Jun 09'08 high with the 1.5945 level, its July 22'08 high coming in as the next objective. On the whole, price and weekly momentum indicators remain suggestive of lower prices. However, a recovery back above its broken LT rising trendline is required to reduce the current short term downside weakness.

**Support**

1.5459/67  
1.5302/1.5283  
1.5042

**Comments**

.786 Ret/Jun 23'08 low  
May/June'08 lows  
Weekly 50 ema

**Resistance**

1.5527/21  
1.5627  
1.5694  
1.5842

**Comments**

July 24'08/July 30'08 lows  
July 24'08 low  
Daily 50 Ema  
Jun 09'08 high

## Daily Chart: EURUSD



## **GBPUSD: GBP Targets The 1.9407 Level.**

**GBPUSD:** While consolidation to recovery higher is being initiated, as long as GBP continues to trade below its eroded daily and 4 hourly channels and the 1.9643 level (July 07'08 low) resistance level, the pair remains pressured to head further lower. The said recovery if seen however remains corrective of its decline started at 2.0155 high. Downside objectives are located at its June 13'08 at 1.9407 where a break will pave the way for a run at its Jan/May'08 lows at 1.9362/35. This based on past price action at those levels should hold and turn the pair higher but if it snaps further weakness will be triggered towards the 1.9180 level, its Mar'07 low. Both its daily and weekly studies are supportive of this view. However, if a break back into its channels followed with a sustained close above the 1.9643 level is seen, GBP's recovery could strengthen towards its .50 Ret(1.9407-2.0155 rally) at 1.9782 with scope for price extension aiming at the 1.9800/1.9790 zone, its Jun 09 & 20'08 highs and next the 1.9850/42 area, its May 23'08 high/Daily 200 ema. Beyond the latter will set the pair up for a move towards the 2.0075 level, its July 22'08 high and the 2.0155 high, its July 15'08 high. In short, while the pair continues to trade below the mentioned channels, additional weakness can not be ruled out.

<b>Support</b>	<b>Comments</b>
1.9407	June 13'08 at 1.9407
1.9362/35	Jan/May lows
1.9180	Mar'07 low

  

<b>Resistance</b>	<b>Comments</b>
1.9643	July 07'08 low
1.9697	.618 Ret
1.9782	.50 Ret (1.9407-2.0155 rally)
1.9800/1.9790	Jun 09 & 20'08 highs

# Daily Chart: GBPUSD



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