

TUE, Sept 09'08 7:01 am EST
DAILY TECHNICAL STRATEGIST

EURUSD: Reverses Marginal Gains, Breaks To A New Low.

EURUSD: EUR reversed its Friday marginal upside gains Monday breaking lower and testing a low of 1.4054 before closing at 1.4137 at the end of the session. Focus remains on its Oct'07 low at 1.4015 though an early morning low of 1.4045 today is now being reversed. Below the 1.4015 level will put the pair in position to trade even lower towards its July'07 low at 1.3852. Higher time frame momentum indicators continue to support this view. On the other hand, if the mentioned intraday reversal is sustained, its resistance residing at the 1.4197 level, marking its Sept 05'08 low will be targeted ahead of the 1.4366/10 zone, its Jan'08/Dec'07 lows . While this scenario remains corrective of its recent declines, breaking and holding above the latter will call for more strength towards its Sept 08'08 high at 1.4429 and then its broken LT rising trendline at 1.4486. On the whole, while the broader bias remains to the downside, nearer term corrective recovery may be seen.

Support

1.4015
1.3852
1.3361

Comments

Oct'07 low
July'07 high
Aug'07 high

Resistance

1.4197
1.4366/10
1.4429
1.4486

Comments

Sept 05'08 low
Jan'08/Dec'07 lows
Sept 08'08
Broken LT rising trendline

Daily Chart: EURUSD



GBPUSD: Continued Decline Shifts Focus To 1.7251 Level.

GBPUSD: An unsustained gain Monday saw GBP tumbled lower beginning another week lower and closing the session at 1.7596 after recording a fresh new low of 1.7471. Our medium term downside target lies at the 1.7251 level, its April'06 low with weakness through there setting the stage for further declines towards the 1.7130 level, its Dec'05 low before its Nov'05 low at 1.7067. However, persistent oversold condition and continued declines should support a nearer term corrective bounce argument. If this is seen, its Sept 05'08 high at 1.7744 will be aimed at with a clean break of there clearing the way for a run at its Jan'06/Sept 08'08 highs at 1.7935/76 and then the 1.8090 level, its Jun'06 low. This view remains corrective and GBP should turn lower continuing its broader medium term weakness on ending that recovery. All in all, having weakened persistently, odds of further declines continue to be envisaged with any recoveries at this stage seen as corrective.

Support

1.7251	April'06 low
1.7130	Dec'05 low
1.7049	Nov'05 low

Comments

Resistance

1.7744	Sept 05'08 high
1.7935/76	Jan'06 high/Sept 08'08
1.8090	Jun'06 low
1.8176	July 16'06 low

Comments

Daily Chart: GBPUSD



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