

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.

<b>Support</b>	<b>Comments</b>
1.4015	Oct'07 low
1.3852	July'07 high
1.3361	Aug'07 high

  

<b>Resistance</b>	<b>Comments</b>
1.4197	Sept 05'08 low
1.4366/10	Jan'08/Dec'07 lows
1.4429	Sept 08'08
1.4486	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  
1.7130  
1.7049

### **Comments**

April'06 low  
Dec'05 low  
Nov'05 low

### **Resistance**

1.7744  
1.7935/76  
1.8090  
1.8176

### **Comments**

Sept 05'08 high  
Jan'06 high/Sept 08'08  
Jun'06 low  
July 16'06 low

Daily Chart: GBPUSD



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