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DAILY TECHNICAL STRATEGIST

EURUSD: Begins Corrective Recovery, Aims At The 1.4015 Level

EURUSD: EUR reversed its intraday losses to as low as 1.3885 ahead of its the 1.3852 level, its July'07 low to close higher at 1.4009 on Thursday. Nearer term upside recovery may have begun as early morning price action saw the pair heading higher towards its support turned resistance the 1.4015 level, its Oct'07 low. Relative support is being exhibited by its daily studies as they have turned higher though in oversold zone. A break and close above the 1.4015 level should trigger higher prices towards the 1.4197 level, its Sept 05'08 low and possibly the 1.4366/10 zone, its Jan'08/Dec'07 lows. However, as broader outlook remains to the downside its current recovery effort remains corrective of its decline from the 1.6038 high. Downside target is seen at the 1.3852 level, its July'07 low followed by a distant support residing at the 1.3361 level, its Aug'07 low. On the whole, EUR looks to strengthen further nearer term following its bounce ahead of the 1.3852 level.

Support	Comments
1.3852	July'07 high
1.3361	Aug'07 low
1.3264	July'07 low

Resistance	Comments
1.4015	Oct'07 low
1.4197	Sept 05'08 low
1.4366/10	Jan'08/Dec'07 lows
1.4429	Sept 08'08

Daily Chart: EURUSD



GBPUSD: A Turn Off The 1.7471/47 Zone To Trigger Further Strength.

GBPUSD: A follow-through to the upside on Thursday's higher close off the 1.7447 low was seen in early morning trading today suggesting that a higher close today will open up further upside risk. In such a case, its Jan'06/Sept 08'08 highs at 1.7935/76 will come in as the next upside target ahead of the 1.8090 level, its Jun'06 low. Daily momentum indicators though in oversold territory have turned higher. Having commenced a nearer term recovery, support are now seen at its Sept 05'08 low at 1.7535 and its Sept 08 & 11'08 lows at 1.7471/47 with a sustained break and close below the latter triggering the resumption of its medium term decline which is now temporarily on hold. All in all, although medium term bearish remains intact, nearer term corrective bounce already activated should see further strength.

Support

1.7535
1.7251
1.7130
1.7049

Comments

Sept 05'08 high
April'06 low
Dec'05 low
Nov'05 low

Resistance

1.7935/76
1.8090
1.8176

Comments

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

Daily Chart: GBPUSD



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