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DAILY TECHNICAL STRATEGIST

EURUSD: EUR Prints High Wave Candle, Slides towards The 1.4542/71 Zone.

EURUSD: EUR closed marginally higher Thursday struggling between 1.4768 and 1.4561 levels before closing at 1.4665, printing a high wave candle (a sign of confusion). The pair was seen attacking its key support zone at the 1.4542/71 zone (Aug 26'08/Sept 18'08 lows) on the back of the mentioned candle pattern today. That level also harbours its eroded LT rising trendline currently at 1.4528. While this area holds EUR's nearer term corrective recovery started at the 1.3882 level, breaking through this levels will signal a halt in the said uptrend and bring price acceleration towards the 1.4366/10 zone, its Jan'08/Dec'07 lows followed by its Sept 16 low at 1.4073 and then the 1.4015 level, its Oct'07 low. Its YTD low residing at the 1.3882 level will be targeted on breaking these levels. Its daily RSI is bearish and trending lower supporting this view. However, maintaining above the 1.4542/71 zone will suggest a push to the upside aiming the 1.4867 level, its Sept 22'08 high with a penetration of there exposing the 1.4951/67 levels, its Nov'07/Feb'08 congestive highs and next its May/Jun'08 lows at 1.5263/85. On the whole, a decisive cut through the 1.4542/71 zone will leave the pair vulnerable to the downside with signals for the resumption of its broader weakness flashing.

Support	Comments
1.4542/71	Aug 26'08/Sept 18'08 low
1.4366/10	Jan'08/Dec'07 lows
1.4073	Sept 16 low
1.4015	Oct'07 low
Resistance	Comments
1.4867	Sept 22'08
1.4951/67	Nov'07/Feb'08 congestive highs
1.5263/85	May/Jun'08 lows

Daily Chart: EURUSD



GBPUSD: Struggles With Upside, Continues To Trade Within Its Rising Channel.

GBPUSD: As a second day of downside closes was registered on Thursday following the pair's inability to hold on to its gains at 1.8669, GBP continues to struggle with its corrective recovery off the 1.7447 level suggesting a test of its rising channel bottom. While the pair's trend continues to point higher based on its 4 hourly rising channel, break and close below that channel bottom presently at 1.8212 will trigger further decline towards the 1.8128 level (Sept 15'08 high), the 1.7976 level (Sept 08'08 high) and then its YTD low at 1.7447. Its daily RSI remains supportive of this view. Supports are now seen at the 1.8482 level, its .382 Ret ahead of the 1.8641/69 level, its Sept 22 & 25'08 highs. Others are located at the 1.8795/1.8802 levels, marking its Aug 26'08 high/.50 Ret (2.0157-1.7447 decline) and the 1.8836 level, its Nov'06 low or even the 1.9122 level, its .618 Ret. All in all, the pair's rising channel bottom now serves as a trigger to further decline.

Support

1.8212	Channel bottom
1.8123	Sept 15'08 high
1.7976	Sept 08'08 high
1.7447	YTD high

Comments

Resistance

1.8482	.382 Ret
1.8641	Sept 22'08 high
1.8795/1.8802	Aug 26'08 high/.50 Ret (2.0157-1.7447 decline).
1.9122	.618 Ret

Comments

Daily Charts: GBPUSD



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