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**Turns Off The 1.2330 Level, Returns Into Its Sideways Trades**

**EURUSD**-Range trading and consolidative price activities are set to dominate EUR nearer term as a failure ahead of the 1.2330 level, representing its YTD low has now pushed the pair into a sideways trading range. This is coming on the back of a break out to the downside from its 4 hourly symmetrical triangle the past week. With that said, EUR must break either way through the 1.3298 or the 1.2330 level to establish directional moves but based on our model trend and EUR'S medium term trend which are both down, we expect the pair to come out of consolidation breaking below the 1.2330 level. In such a case, the 1.2134 level, its .50 Ret (its 0.8231-1.6038 high, monthly chart) and the 1.1827 level, its Mar'06 low will be aimed at. On the upside, continued strength within the range will call for a move towards the 1.3058/05 level, its Oct 23'06 high/.618 Ret (0.8231-1.6038 rally, monthly chart) ahead of the 1.3259/98 level, its Oct 30'08 high/Oct 10'08 low and next the 1.3666 level, its Dec'04 high. On the whole, while the pair's MT trend remains lower, breaking out of the range remains a challenge in the near term.

**Directional Bias:**  
Nearer Term -Mixed  
Short Term -Bearish  
Medium Term -Bearish

**Performance in %:**  
Past Week: +0.58%  
Past Month: -9.87%  
Past Quarter: -10.40%  
Year To Date: -13.00%

**Weekly Range:**  
High -1.2927  
Low -1.2389



**Resumes Its Medium To Longer Weakness, Aims At The 1.4837 Level.**

**GBPUSD-** GBP triggered the resumption of its medium to long term decline the past week invalidating its YTD low at 1.5265 and printing its lowest price since Jun'02. Further weakness is now expected to target the 1.4837 level, its Oct 2001 high with a loss of there extending prices towards its new year low at 1.4558 followed by the 1.4045 level, its Jan'02 low. The main risk to this view remains a long legged doji-like reversal candle on the daily time frame formed on Thursday. If weakness were to be limited to the bottom of the mentioned candle, GBP could begin corrective upmove towards its psycho level at 1.5000 with a loss of there setting the stage for a move towards its Oct 24'08 low at 1.5265. We expect this level to limit such upside incursions if seen and turn the pair lower. All in all, with GBP breaking and closing below its two key support levels, odds are for additional moves lower.

**Directional Bias:**  
 Nearer Term -Bearish  
 Short Term -Bearish  
 Medium Term -Bearish

**Performance in %:**  
 Past Week: -5.56%  
 Past Month: -9.84%  
 Past Quarter: -10.54%  
 Year To Date: -25.45%

**Weekly Range:**  
 High -1.5885  
 Low -1.4558



**A Second-Day Of Weakness Leaves The Pair Aiming At Its YTD Low.**

**USDJPY-** With USDJPY maintaining below the 100.55 level and ending a second consecutive week of lower closes, weakness further through the 96.35/95.75 area, its Oct 31'08/Mar'08 lows is envisaged ahead of its YTD low at 90.91. Beyond there will activate the resumption of its medium term decline towards the 86.52 level, its 1.618 Fib Ext and next the 79.70 level, its April'1995 low. However, if Thursday's (daily chart) recovery were to resume, higher prices coming at its psycho level/Nov 04'08 high at 100.00/55 will be targeted ahead of its Oct 20'08 high at 102.42. The former level should reverse roles and send the pair lower again. In short, as long as the 100.00/55 area remains unbroken, USDJPY is biased to the downside in line with its MT trend.

**Directional Bias:**  
 Nearer Term -Mixed  
 Short Term -Bearish  
 Medium Term -Bearish

**Performance in %:**  
 Past Week: -1.26%  
 Past Month: -7.12%  
 Past Quarter: -0.03%  
 Year To Date: -13.11%

**Weekly Range:**  
 High -99.48  
 Low -94.47

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