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**Triangle Break Expected To Resolve To The Downside.**

As range trading dominates price action between the 1.2330 and 1.3298 levels, the symmetrical triangle formed within that range is expected to resolve to the downside. This is based on the fact that the pair's primary trend is down and the present range activities is coming on the heels of a decline off the 1.6038 high. We see a decisive break and hold below the 1.2330 level activating further weakness towards the 1.2134 level, its .50 Ret (its 0.8231-1.6038 high, monthly chart) and the 1.1827 level, its Mar'06 low. Daily studies are supportive of this view as they are trending lower. Conversely, if a follow-through to the upside on Friday's reversal were to occur, its Nov 19'08 high at 1.2814 will be aimed at before its Nov 10'08 high at 1.2927. Other resistance levels are seen at the 1.3116 level, its Nov 05'08 high and then the 1.3259/98 level, its Oct 30'08 high/Oct 10'08 low. On the whole, a break of the latter or the 1.2330 level will be required to create meaningful directional moves.

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

**Performance in %:**  
 Past Week: -0.89%  
 Past Month: -9.87%  
 Past Quarter: -10.40%  
 Year To Date: -13.78%

**Weekly Range:**  
 High -1.2814  
 Low -1.2423



**Recovery Off The 1.4558 Level Stalls At The 1.5250 Area**

**GBPUSD-** GBP's recovery embarked upon off the 1.4558 level (YTD low) following its recent medium to longer term declines has stalled at the 1.5250 level and ahead of its strong resistance at the 1.5265 level, its Oct 24'08 low. Though a marginal weekly higher close was registered the past week, the mentioned failure suggests that a retarget of its YTD low at 1.4558 is now shaping up where a clearance could accelerate further weakness towards the 1.4045 level, its Jan'02 low. We maintain our medium to longer outlook for the pair to break the 1.4558 level and head towards the 1.4045 level in the weeks and months ahead. Nearby resistance resides at its psycho level at 1.5000 and then the 1.5250/65 area with an invalidation of there opening the door for further upside gains towards its Nov 10'08 high at 1.5885. The former level is still expected to turn GBP back down again. Its weekly studies are bearish and heading lower though in oversold territory. All in all, price stall at the 1.5250 level now looks to recapture its YTD low at 1.4558.

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

**Performance in %:**  
 Past Week: +0.45%  
 Past Month: -9.84%  
 Past Quarter: -10.54%  
 Year To Date: -25.12%

**Weekly Range:**  
 High -1.5250  
 Low -1.4656



**Medium Term Bearishness Continues To Dominate, Highlights Its YTD Low.**

**USDJPY-** USDJPY maintained its third week of downside closes the past week testing a low of 93.56 before closing the week at 95.97. While the presence of long lower candle shadows is suggestive of the pair's unwillingness to weaken further lower, as long as the 100.00/55 continues to hold as resistance, USDJPY is expected to return back to its YTD low at 90.91. Further declines below there will set the stage for more declines towards the 86.52 level, its 1.618 Fib Ext and next the 79.70 level, its April'1995 low. Its daily studies are bearish and trending lower signifying more weakness. On the upside, If a continuation of Friday's upmove is seen then the 97.55 level, its Nov 17'08 will be aimed at ahead of the 99.48 level, its Nov 10'08 high and subsequently its psycho level/Nov 04'08 high at 100.00/55. The latter if taken out (though not envisaged) will trigger the resumption of its corrective recovery off the 90.91 level towards its Oct 20'08 high at 102.42. In short, our overall outlook remains lower for the pair to test and ultimately break below the 90.91 level.

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

**Performance in %:**  
 Past Week: -1.15%  
 Past Month: -7.12%  
 Past Quarter: -0.03%  
 Year To Date: -14.11%

**Weekly Range:**  
 High -97.55  
 Low -93.56

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