

2010-03-30_European Forex Technicals

European Forex Technicals: USD To Weaken Further

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A DOW JONES NEWSWIRE COLUMN

LONDON (Dow Jones)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0634 GMT	1.3483	92.35	1.4999	1.0624
3 Day Trend	Bullish	Range	Bullish	Bearish
Weekly Trend	Bearish	Bullish	Bearish	Range
200 day ma	1.4095	91.76	1.5897	1.0584
3rd Resistance	1.3570	93.78	1.5110	1.0691
2nd Resistance	1.3530	93.50	1.5091	1.0663
1st Resistance	1.3507	92.96	1.5040	1.0648
Pivot*	1.3477	92.43	1.4967	1.0624
1st Support	1.3435	92.36	1.4958	1.0593
2nd Support	1.3378	92.04	1.4925	1.0558
3rd Support	1.3346	91.95	1.4847	1.0507

Intraday EUR/USD: Formed a symmetrical triangle Monday to consolidate the recent strength off the Mar. 25 reaction low at 1.3267, and Tuesday's upside break now brings Monday's high at 1.3530 into focus. The shallowness of the corrective triangle suggests there is scope for further strength above 1.3530/43, with upside targets at 1.3570 and 1.3608. Only below the triangle termination low at 1.3435 would question the bullish outlook, exposing 1.3346.
Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Continues to correct off the Mar. 25 reaction high at 92.96 within a bull flag, and consolidation is set to extend by putting bear pressure on the 92.04 low. Bull flag support lies at 91.95, but backup support lies at 91.76 and the 91.45 area. A break above 92.79 is required to give bulls near-term control, opening the 92.96 reaction high.
Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Builds on the recovery off the Mar. 25 near-term bear failure low at 1.4802, and the 1.618 extension target at 1.5040 is the immediate focus. Above there would further lift the tone and open congested resistance at 1.5091 and 1.5110; the latter being 50% retracement of the 1.5381/1.4802 decline. Below 1.4958 is required to provide relief, but dips look limited at this stage.
Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Drifts lower towards Monday's low at 1.0558 after a downside break through intraday symmetrical triangle support at 1.0617. The immediate threat is for renewed bear pressure on the 1.0593 higher low before testing 1.0558, but the wider risk is a break below there, which would upgrade the decline off the Feb. 19 reaction high at 1.0899. Regaining ground above pivotal resistance at 1.0648 is required to question the bearish outlook, opening 1.0691.
Weekly chart USD/CHF trend: Range.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0703 GMT	0.8983	124.86	1.4338	0.9190
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Range	Range	Bearish	Bullish
200 day ma	0.8873	129.36	1.4906	0.8738
3rd Resistance	0.9032	125.45	1.4409	0.9252
2nd Resistance	0.9014	125.36	1.4375	0.9237
1st Resistance	0.8999	125.07	1.4357	0.9200
Pivot*	0.9001	124.61	1.4315	0.9131
1st Support	0.8974	124.11	1.4302	0.9160
2nd Support	0.8958	123.60	1.4253	0.9125
3rd Support	0.8941	122.98	1.4232	0.9037

Intraday EUR/GBP: Continues to weaken off Monday's bull trap high at 0.9032, and the 0.8974 low is under bear pressure. A break below there will extend the setback towards 0.8958, and congested support at 0.8941, representing 61.8% retracement of the dominant 0.8886/0.9032 advance. Regaining ground above 0.8999 would lift the tone and open the 0.9014 lower high.
Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Maintains the short-term bull tone to extend the recovery off last week's low at 121.05, and the Mar. 17 lower high at 125.07 is the immediate target. Above there would open the Mar. 15 reaction high at 125.36, and an inverse head-and-shoulders base may be forming on the daily chart, albeit with a gradually rising neckline. Corrective dips will attract support while above 122.98.
Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Builds on the recovery off last week's all-time low at 1.4232 following the push above 1.4314, but is close to key resistance in the 1.4375 area. Dominant bears are unlikely to cede further ground above there, and the greater risk is for renewed bear pressure on the 1.4302 higher low. This would leave the 1.4253 higher low vulnerable on a break below there. Only a sustained break above 1.4375 would provide a near-term boost, opening 1.4409 and 1.4450.
Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Strongly extends the recovery off last Friday's low at 0.9002, and is testing the 0.9200 level. The 4-5 month bull flag resistance line at 0.9237 is now within striking distance, as is the Mar. 17 reaction high at 0.9252. Corrective dips will attract support while above the 0.9125 area, and only below there would concern bulls.
Weekly chart AUD/USD trend: Bullish.

* The pivot is the sum of the high, low and close divided by 3.

For more technical analysis see: Dow Jones Newswires, N/DJTA; Bloomberg, N/DJTA; and Reuters key word search "INSI-DJN"

(END) Dow Jones Newswires
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