

European Forex Technicals: EUR/GBP To Extend Weakness

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A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0614 GMT	1.3379	94.15	1.5253	1.0702
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Range	Bullish
200 day ma	1.4059	91.88	1.5857	1.0586
3rd Resistance	1.3529	95.00	1.5381	1.0810
2nd Resistance	1.3461	94.78	1.5320	1.0752
1st Resistance	1.3430	94.40	1.5280	1.0723
Pivot*	1.3417	93.94	1.5234	1.0676
1st Support	1.3355	93.56	1.5132	1.0645
2nd Support	1.3317	93.11	1.5045	1.0584
3rd Support	1.3267	92.96	1.4958	1.0534

Intraday EUR/USD: Extends the setback off the Apr. 1 high at 1.3592 to force a break below 1.3384, and is set for renewed bear pressure on Tuesday's low at 1.3355. 1.3592 has been confirmed as a bull failure, and the 1.618 downside target at 1.3317 lies in front of the 2010 low at 1.3267, set in late March. A sustained break above 1.3461 is required to provide respite, opening the 1.3529 lower high.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Corrective weakness based at 93.56 Wednesday as a good recovery gets underway, and the 94.40 lower high is set for a retest. A break above there would bring the focus back onto the Apr. 4 reaction high at 94.78, although a fresh wave of bull pressure will be required to set fresh highs for 2010 above there. Weakness should be contained above 93.56, and only below there would upgrade the corrective setback, exposing 93.11.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Stages a promising recovery off Tuesday's low at 1.5132, and the focus is back on Monday's high at 1.5320. 1.5132 represents a mere 38.2% corrective retracement, and a break above 1.5320 would give sterling a major boost, opening the 1.5381/1.5398 resistance levels. Failure to break through 1.5320 would question the bullish outlook, and prompt a return to the 1.5132 low.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: Forces a break above 1.0645 to extend the strong recovery off the Apr. 1 reaction low at 1.0435, and Tuesday's high at 1.0723 is set for more bull pressure as the focus moves to the Mar. 25 lower high at 1.0752. A break through there would confirm 1.0435 as a bear failure, and prompt further gains towards the 1.0810/1.0825 area. The 1.0645 area provides intraday pivotal support, to protect the 1.0584 higher low.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0642 GMT	0.8771	125.83	1.4321	0.9261
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	0.8873	129.14	1.4865	0.8770
3rd Resistance	0.8870	126.94	1.4412	0.9404
2nd Resistance	0.8859	126.58	1.4352	0.9330
1st Resistance	0.8823	126.16	1.4338	0.9295
Pivot*	0.8800	126.14	1.4322	0.9246
1st Support	0.8752	125.22	1.4306	0.9217
2nd Support	0.8697	124.32	1.4246	0.9167
3rd Support	0.8656	124.17	1.4175	0.9131

Intraday EUR/GBP: The sharp downtrend extends following the sustained break below 0.8845, and minor support at the 0.8752 high low is vulnerable. A downside gap at 0.8870 highlights the underlying bear pressure behind this move, and a break below 0.8752 would expose the 0.8697 projected target. However, scope for the Feb. 12 higher reaction low at 0.8656 cannot be ruled out. Corrective gains are limited, and only above 0.8870 would question the bearish outlook.
Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Stages a recovery off Tuesday's low at 125.22, and the stage is set for further gains towards 126.58. This represents 50% retracement of the 127.95/125.22 downwave, but there is room for the 126.94 area, which protects the 127.35 lower high. Only a break below 125.22 would put bears in near-term control, exposing 124.17.
Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Remains rangebound between 1.4306 and 1.4352 as part of consolidation of last week's 1.4144/1.4412 strong recovery. There is a slight near-term skew to the downside which is threatening to put the 1.4306 low under pressure, and a break below there would expose the downside target at 1.4246. Regaining ground above 1.4338 is required to question the bearish tone and bring the focus back onto the 1.4352 high.
Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Tuesday's strength powered through a 4-5 month bull flag resistance line at 0.9228 to leave a wide bullish-outside day, and the 0.9295 upside target is now within striking distance. With corrective dips limited to the 0.9217 area, room exists for further strength towards the 2010 high at 0.9330, set in January.
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, NI DJTA; and Reuters key word search "INSI-DJN"

(END) Dow Jones Newswires
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