

2010-04-21_European Forex Technicals - Overlap Report

European Forex Technicals: EUR/USD To Extend Weakness

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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 0453 GMT	1.3407	93.19	1.5365	1.0701
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.4006	91.99	1.5815	1.0589
3rd Resistance	1.3523	93.73	1.5524	1.0791
2nd Resistance	1.3489	93.40	1.5509	1.0786
1st Resistance	1.3450	93.24	1.5432	1.0763
Pivot*	1.3462	93.00	1.5361	1.0660
1st Support	1.3366	92.97	1.5337	1.0676
2nd Support	1.3341	92.74	1.5293	1.0660
3rd Support	1.3282	92.50	1.5194	1.0629

Intraday EUR/USD: The euro continues to weaken following Wednesday's push into fresh 8-day lows below 1.3416, and Tuesday's bull failure at 1.3523 brings the 1.3366 higher low into the frame. However, scope has been created for downside to test the Apr. 8 higher low at 1.3282. Regaining ground above 1.3450 is required to provide respite, but corrective upside looks limited to the 1.3489 intraday lower high.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Sharply extends the solid recovery off Monday's low at 91.60 to force a decisive break above 92.76, and resistance at Tuesday's high at 93.40 is set for renewed pressure. The break above 92.76 left 91.60 as a bear failure low, and further strength is expected to test the Apr. 14 lower high at 93.73. The groundwork is being prepared for a longer-term test of the 2010 high at 94.78. Corrective weakness will attract support while above 92.50.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: The recovery off Monday's low at 1.5194 stalled at 1.5432 Tuesday, shy of expectations, and support at 1.5337 is under pressure. A break below there is favoured to prompt further weakness to 1.5293, and brings the focus back onto the 1.5194 low. Only a break above 1.5432 would lift the tone and open the 1.5509/1.5524 highs.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's strength negates the previous day's doji to underline the strengthening US dollar, and the push above 1.0691 promotes room for further gains towards the Apr. 8 reaction high at 1.0786. An equality target projected off Tuesday's low at 1.0603 lies at 1.0791. Corrective weakness will attract support while above 1.0660.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0522 GMT	0.8727	125.07	1.4352	0.9330
3 Day Trend	Bearish	Bearish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	0.8865	128.81	1.4816	0.8820
3rd Resistance	0.8844	126.10	1.4387	0.9381
2nd Resistance	0.8802	125.64	1.4379	0.9364
1st Resistance	0.8774	125.36	1.4362	0.9331
Pivot*	0.8763	125.10	1.4350	0.9294
1st Support	0.8707	124.65	1.4345	0.9295
2nd Support	0.8679	124.48	1.4330	0.9270
3rd Support	0.8656	123.94	1.4305	0.9248

Intraday EUR/GBP: Maintains the recent bear tone to force a break below 0.8747, and the focus is on the Apr. 9 reaction low at 0.8707. A medium-term bull support line connecting lows at 0.8401 and 0.8603 lies at 0.8679 for Wednesday's current session, which protects the 0.8656 higher low. A break above the intraday lower high at 0.8774 is required to provide respite, but corrective upside is limited.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Consolidates this week's 123.15/125.64 recovery, and the failure to sustain the upside momentum suggests the 124.48/65 lows are set for a retest. A break through there would complete a head-and-shoulders top on the 60-minute chart, and prompt further weakness towards the 123.94 higher low. Above 125.36 is required to re-open the 125.64 high.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Builds on the recovery off Monday's low at 1.4305 to probe above 1.4359, and while 1.4330 cushions dips, room has been created for further strength towards the 1.4379 upside target. This lies close to the Apr. 14 lower high at 1.4387. To negate the positive outlook, a break below 1.4330 would leave a bull failure high, and put the 1.4305 low under threat.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Builds on the recovery off Monday's low at 0.9160 to regain a foothold above 0.9300, and the 0.9331 lower high is being challenged. A break through there looks likely to extend the push towards 0.9364 and the Apr. 12 reaction high at 0.9381. Loss of 0.9295 would provide temporary respite, but corrective weakness looks limited to the 0.9270 area.

Weekly chart AUD/USD trend: Range.

* 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"

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