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European Forex Technicals: GBP/USD To Test 1.5474/5524 Highs

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0454 GMT	1.3364	94.17	1.5425	1.0747
3 Day Trend	Bullish	Bullish	Bullish	Bearish
Weekly Trend	Bearish	Bullish	Bullish	Bullish
200 day ma	1.3987	92.04	1.5797	1.0594
3rd Resistance	1.3490	94.78	1.5573	1.0850
2nd Resistance	1.3446	94.59	1.5524	1.0810
1st Resistance	1.3400	94.37	1.5474	1.0769
Pivot*	1.3329	93.87	1.5354	1.0764
1st Support	1.3315	93.58	1.5389	1.0714
2nd Support	1.3269	93.20	1.5360	1.0674
3rd Support	1.3201	92.74	1.5296	1.0643

Intraday EUR/USD: Friday's strong recovery off a fresh 2010 low at 1.3201 suggests a bear trap, and consolidation of the decline off 1.3692 is underway as the 1.3400 level comes under pressure. A break through there would open the 1.3434/46 resistance area, but corrective gains are likely to be capped beneath projected resistance at 1.3490. Loss of 1.3315 would threaten further weakness towards 1.3269, and only below there would bring the focus back onto the 1.3201 low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Continues to push higher following the probe above 94.34, extending the advance off the 92.74 higher low towards the 94.59 upside target. With bull momentum on the increase, the 2010 high at 94.78, set in early April, is likely to be tested, with scope to 95.73 on concerted strength. Corrective dips will attract support while above 93.20, and only below 92.74 would concern bulls.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Friday's recovery off 1.5296 has extended into the current session Monday to put the Apr. 22 high at 1.5474 under threat. A break through there is likely to build on the wider recovery off the Apr. 19 low at 1.5194, opening the Apr. 15 peak at 1.5524 and threatening further strength into fresh 2-month highs towards 1.5573. Corrective dips have room to 1.5360, but only below 1.5296 would question the bullish outlook.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Friday's setback off 1.0850, shy of the 1.0854 target, leaves a near-term bull trap, and creates room for further weakness towards the 1.0674 higher low. A 1.618 downside extension target lies below there at 1.0643, to set a likely limit for downside scope. To regain the initiative, bulls need to regain ground above the 1.0810 lower high to re-open 1.0850.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0526 GMT	0.8653	126.00	1.4360	0.9291
3 Day Trend	Range	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	0.8859	128.69	1.4802	0.8834
3rd Resistance	0.8817	127.69	1.4409	0.9381
2nd Resistance	0.8750	127.35	1.4387	0.9364
1st Resistance	0.8718	126.30	1.4374	0.9337
Pivot*	0.8677	125.10	1.4346	0.9242
1st Support	0.8635	125.30	1.4335	0.9260
2nd Support	0.8609	124.81	1.4322	0.9218
3rd Support	0.8603	124.22	1.4291	0.9160

Intraday EUR/GBP: Friday's bullish outside day recovery off 0.8609 protects the 2010 low at 0.8603 and halts the dominant bear trend, but the threat of renewed bear pressure on 0.8603/09 has not gone away. However, this support area represents a measured downside target from the completed short-term bear pennant, and bulls will look to defend 0.8603/09 to prevent creating scope for the 0.8401 June 2009 reaction low longer-term. A break above Friday's high at 0.8718 is required to further lift the tone and open 0.8750.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Friday's strength has spilled over into Monday's session as bulls look to regain a foothold above 126.00 and retest the 126.30 high. Above there would open the 1.618 extension target at 127.35, which lies close to 127.69 and the April peak at 127.95. Only below 125.30 would concern near-term bulls and expose the 124.81 higher low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Maintains the recovery off the Apr. 21 spike low at 1.4291 to probe above 1.4362, and creates room for further gains towards the Apr. 14 lower high at 1.4387. 1.4291 has become a bear failure low, and a break above 1.4387 is required to shift longer-term sentiment to a more positive outlook. Below 1.4335 would stifle the bullish outlook, and expose the 1.4322 higher low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Friday's bull hammer recovery off 0.9172 protects the Apr. 19 reaction low at 0.9160, and the focus has switched to the Apr. 21 high at 0.9337. There is risk of a bear pennant forming on the daily chart, but this would be negated on a break above 0.9337, creating scope for further strength towards the 0.9364 lower high. Corrective weakness should be limited to the 0.9218 area, and only a sustained break below there would suggest a return to the 0.9160/72 lows.

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, N/DJTA; and Reuters key word search "INSI-DJN"

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