

## 2010-05-10\_European Forex Technicals

European Forex Technicals: Fresh Impetus For EUR

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By Francis Bray

A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0456 GMT	1.2923	92.62	1.4890	1.1015
3 Day Trend	Bullish	Range	Bullish	Bearish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3898	92.17	1.5736	1.0627
3rd Resistance	1.3037	94.00	1.5105	1.1188
2nd Resistance	1.3000	93.38	1.5000	1.1155
1st Resistance	1.2968	92.88	1.4931	1.1083
Pivot*	1.2712	91.63	1.4742	1.1110
1st Support	1.2807	91.64	1.4786	1.0990
2nd Support	1.2690	90.83	1.4653	1.0945
3rd Support	1.2609	90.01	1.4477	1.0925

**Intraday EUR/USD:** Extends the corrective recovery off Thursday's 2010 low at 1.2510 to force a break above 1.2799, and the focus is back on the 1.3000 level. Strength off Monday's current session low at 1.2807 creates room for gains to test upside targets at 1.3037, and the 1.618 extension target at 1.3077. Only a sustained break below 1.2807 would bring the focus back onto the 1.2609 higher low.

Weekly chart EUR/USD trend: Bearish.

**Intraday USD/JPY:** Remains beneath the 93.27/93.38 resistance area, but initial strength Monday looks to put this area under fresh bull pressure. Bulls are looking to build on the strong recovery off the May 6 reaction low at 87.95, and a break above 93.38 would re-open the 94.00 level. Only below 91.64 would extend consolidation and defer the bullish outlook, exposing Friday's low at 90.83.

Weekly chart USD/JPY trend: Bullish.

**Intraday GBP/USD:** Stages a good recovery off Friday's 2010 low at 1.4477 to leave a bull hammer on the daily chart, and Friday's high at 1.4931 is set for renewed bull pressure. However, the previous week's wide-ranging negative candle suggests gains are corrective, and resistance lies at 1.500 and the 1.5105 area. A break below 1.4653 is required to threaten a return to the 1.4477 low.

Weekly chart GBP/USD trend: Bearish.

**Intraday USD/CHF:** Extends the corrective setback off the May 6 reaction high at 1.1245 following the probe below 1.1015, and pressure is building for further weakness towards the 1.0945 area. Projected support lies close by at 1.0936, being 38.2% retracement of the dominant 1.0435/1.1245 advance, and with former range highs at 1.0925 reverting to support, a base is expected in this area. A break above 1.1083 is required to lift the tone and create room for gains to the 1.1188 lower high.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0524 GMT	0.8688	119.78	1.4252	0.8993
3 Day Trend	Bullish	Bullish	Bearish	Bullish
Weekly Trend	Range	Bearish	Bearish	Bearish
200 day ma	0.8836	128.05	1.4752	0.8862
3rd Resistance	0.8844	121.85	1.4346	0.9115
2nd Resistance	0.8807	120.72	1.4325	0.9072
1st Resistance	0.8728	120.11	1.4275	0.9042
Pivot*	0.8622	116.28	1.4123	0.8871
1st Support	0.8653	118.10	1.4185	0.8925
2nd Support	0.8589	117.78	1.4140	0.8803
3rd Support	0.8515	115.79	1.4099	0.8725

Intraday EUR/GBP: Consolidates the strong 0.8429/0.8807 advance, and Monday's strength threatens to leave a higher low at 0.8589 and retest the 0.8807 high. Resistance has emerged at 0.8728, so a break through there is required to reach this 0.8807 high. Bulls will be keen to keep 0.8589 intact, and a break below there would question the bullish outlook, exposing 0.8515.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Extends the corrective recovery off the May 6 reaction low at 110.49 to force a break above 118.80, and the 120.00 level is being challenged. Upside targets lie at 120.72 and 121.85, but a convincing break through the latter is required to damage the dominant bear tone. Below 117.78 would put near-term bears back in control and prompt weakness back towards 115.79 and the 114.59 higher low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Builds on the recovery off the May 6 all-time low at 1.4005 following the push above 1.4188, and is approaching significant resistance in the 1.4275 area. Backup resistance lies at 1.4325, and this should limit the scope for corrective gains. A break back below 1.4185 is required to prompt weakness to 1.4140 and 1.4099.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Extends the strong recovery off the May 6 low at 0.8725 following the break above 0.8937, and is looking to test resistance at the 0.9072 lower high. There is scope for the 0.9115 area above there, and a 1.618 extension target close to the 0.9150 level. Only below Monday's current session low at 0.8925 would concern bulls and expose the 0.8803 higher low.

Weekly chart AUD/USD trend: Bearish.

\* 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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