

2010-05-18_European Forex Technicals

European Forex Technicals: EUR Staging Corrective Gains

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0516 GMT	1.2320	92.41	1.4416	1.1373
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Range	Bearish	Bullish
200 day ma	1.3819	93.10	1.5676	1.0660
3rd Resistance	1.2440	92.88	1.4664	1.1446
2nd Resistance	1.2415	92.50	1.4640	1.1403
1st Resistance	1.2401	92.69	1.4507	1.1379
Pivot*	1.2348	92.35	1.4425	1.1352
1st Support	1.2281	92.34	1.4415	1.1298
2nd Support	1.2234	92.20	1.4365	1.1231
3rd Support	1.2190	91.84	1.4312	1.1195

Intraday EUR/USD: The recovery off Monday's four-year low at 1.2234 has failed to force a break above resistance at 1.2415, and is rangebound within a pennant formation between 1.2281 and 1.2415 on the 60-minute chart. But Monday's bull hammer on the daily chart suggests the directional threat is skewed to the upside for the near-term, and above 1.2415 would prompt gains to the 1.2477 area. However, former range lows at 1.2510 should limit corrective strength. Loss of 1.2281 is required to bring the 1.2234 reaction low back into focus, ahead of 1.2190.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Stages a good recovery off Monday's bear trap low at 91.76, and is closing in on resistance at 92.69. However, with more resistance lying at 92.88, a fresh wave of bull pressure is required to turn the near-term bullish and prompt further gains to 93.10 and the May 13 reaction high at 93.65. A break below 92.34 is required to expose 92.20, but only a sustained break below there would question recovery hopes.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: Stages a good recovery off Monday's 13-month low at 1.4256, and having paused for breath off resistance at 1.4507, the weak bear consolidation suggests the 1.4507 high is likely to come under renewed bull pressure. A concerted break above there would build on the recovery, opening the 1.4664. Support at 1.4365 needs to hold in order to maintain the positive outlook, and a break below there would suggest a return to the 1.4256 low is on the cards.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Upside exhaustion has set in following Monday's setback off a one-year high at 1.1446, and the bear hammer on the daily chart suggests there is more corrective weakness due on support at 1.1298. Below there would expose congested support at 1.1231, but this cluster is expected to contain corrective weakness to protect the 1.1195 area. Above resistance at 1.1403 is required to suggest a return to the 1.1446 peak.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0547 GMT	0.8545	114.34	1.4015	0.8737
3 Day Trend	Range	Bearish	Range	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8814	127.37	1.4711	0.8865
3rd Resistance	0.8617	116.12	1.4070	0.8855
2nd Resistance	0.8589	115.77	1.4036	0.8830
1st Resistance	0.8574	114.92	1.4030	0.8783
Pivot*	0.8556	113.98	1.4018	0.8771
1st Support	0.8518	113.75	1.3997	0.8708
2nd Support	0.8501	112.80	1.3967	0.8687
3rd Support	0.8445	112.47	1.3903	0.8617

Intraday EUR/GBP: Monday's inside day within last Friday's bearish engulfing candle high at 0.8617 highlights the indecision as a corrective pennant formation dominates the 60-minute chart, but support at 0.8518 needs to break before providing a favoured bearish resolution to the pattern. Such a break would expose 0.8501, and suggest the May 12 low at 0.8445 is likely to face a retest. Above 0.8574 and 0.8589 would provide a near-term boost, opening last Friday's high at 0.8617.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Monday's recovery off 112.47 leaves a bull hammer on the daily chart, and resistance at 114.92 looks set for a retest. A successful break through there would open upside targets at 115.77 and the 116.12 lower high, although corrective gains have maximum upside scope to last Friday's 117.02 lower high. A break below 113.75 is required to damage the near-term bullish tone, but only below 112.80 would expose the 112.47 low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Bears continue to apply pressure on last week's all-time low at 1.3997 as the longer-term severe bear trend remains intact. Once below there, 1.3967 would become the immediate downside target, but there is scope for further weakness to the 1.618 extension target at 1.3903. Above 1.4030 is required to provide temporary respite.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Forces a break into fresh 2-month lows following Monday's probe below 0.8725, and the dominant threat is for renewed bear pressure on the 0.8687 low. Bears are targeting the 0.8617 higher low and the key Feb. 5 reaction low at 0.8578 as downside momentum is clearly on the increase. Only above 0.8830 would question the bearish outlook.

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

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