

European Forex Technicals: New-Found Optimism Boosting EUR

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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 0521 GMT	1.2174	91.90	1.4609	1.1452
3 Day Trend	Bullish	Bullish	Bearish	Bearish
Weekly Trend	Bearish	Range	Range	Range
200 day ma	1.3539	92.03	1.5472	1.0815
3rd Resistance	1.2327	92.19	1.4757	1.1547
2nd Resistance	1.2277	92.11	1.4700	1.1512
1st Resistance	1.2216	92.08	1.4632	1.1490
Pivot*	1.2104	91.55	1.4606	1.1493
1st Support	1.2150	91.60	1.4508	1.1437
2nd Support	1.2119	91.40	1.4400	1.1397
3rd Support	1.2045	91.20	1.4349	1.1271

Intraday EUR/USD: Monday's strength has forced a break into fresh six-day highs following the push above 1.2153, and near-term bulls are putting pressure on the 1.2216 lower high. However, upside scope has been created for the 1.618 extension target at 1.2277, which lies ahead of the June 3 lower high at 1.2327. But the key 1.2406 projected target which keeps the dominant bear trend intact is still out of reach for now. Corrective weakness will attract support in the 1.2150 area, but only below last Friday's low at 1.2045 would concern near-term bulls.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Monday's break above 91.79 has confirmed a higher low at 91.20, and is set to test congested resistance in the 92.08/11 area. However, with the 1.618 extension target at 92.19 completing a resistance cluster, this area is likely to cap near-term strength, to protect the June 4 reaction high at 92.89. Corrective weakness will attract support while above 91.40, and only below there would concern bulls.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: Friday's bearish outside day high at 1.4557 keeps the solid 1.4771/1.4805 resistance cluster intact, and the subsequent sharp setback to 1.4508 has left 1.4757 as a near-term bear failure. While corrective gains are limited to 1.4700, the dominant threat is for renewed bear pressure on 1.4508, threatening a deeper setback towards 1.4400 and the June 8 higher low at 1.4349. Only a break above 1.4700 would question the near-term bearish outlook, opening 1.4757.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: Weakness off Friday's high at 1.1547 has extended into Monday's session, and near-term bears look set to force a break below support at the current session low at 1.1437. This would expose the June 10 reaction low at 1.1397, and a break below there would create downside scope to congested support at 1.1271/86. Keeping the 1.1397 low in place is required to keep the recovery intact, and a break above 1.1490 would lift the tone, opening Friday's high at 1.1547.

Weekly chart USD/CHF trend: Range.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0538 GMT	0.8335	111.91	1.3940	0.8564
3 Day Trend	Bullish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	0.8750	124.58	1.4603	0.8777
3rd Resistance	0.8406	114.16	1.4092	0.8725
2nd Resistance	0.8378	113.37	1.4050	0.8685
1st Resistance	0.8359	112.72	1.4000	0.8575
Pivot*	0.8287	110.90	1.3896	0.8477
1st Support	0.8280	111.20	1.3919	0.8507
2nd Support	0.8212	110.20	1.3870	0.8467
3rd Support	0.8198	109.89	1.3816	0.8428

Intraday EUR/GBP: Friday's strong recovery off 0.8212 has extended Monday to pierce 0.8335, effectively confirming a double-bottom at 0.8212 on the daily chart. To maintain this new-found optimism surrounding the euro, support at 0.8280 needs to contain corrective dips and attract renewed bull pressure on Monday's current session high at 0.8359. Above there would open 0.8378, and the double-bottom measured objective at 0.8458. Only below 0.8280 would concern near-term bulls.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: The corrective recovery off last week's 2010 low at 108.06 is running into significant resistance, as the first of the 1.618 extension targets is being probed just above 112.00. A sustained break offers scope for further gains towards the more significant 112.62/72 resistance area, which lies in front of the June 4 lower high at 113.37. Setbacks need to be limited to the 111.20 area, and only a sustained break below there would create room for further weakness towards 110.20.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Extends the recovery off last week's all-time low at 1.3735 following the probe above 1.3945 Monday, and creates room for further gains towards significant resistance at 1.4000. This level represents former range lows that have now reverted to support, and is likely to cap near-term strength. Intraday pivotal support lies at 1.3870, and only a sustained break below there would concern near-term bulls, exposing Friday's low at 1.3816.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Last week's strong recovery has extended Monday following the break above 0.8507, and congested resistance at 0.8575 is being challenged. While an upside gap exists between 0.8507 and 0.8514, the dominant threat is for a break above 0.8575, creating scope for the 0.8685 area on a sustained move higher. Only a break below 0.8507 would suggest further weakness towards Friday's low at 0.8428.

Weekly chart AUD/USD trend: Bullish.

* The pivot is the sum of the high, low and close divided by 3.

Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

June 14, 2010 02:25 ET (06:25 GMT)