

European Forex Technicals: Corrective EUR Weakness Limited

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0446 GMT	1.2907	86.69	1.5317	1.0475
3 Day Trend	Bearish	Bearish	Range	Range
Weekly Trend	Bullish	Bearish	Bullish	Bearish
200 day ma	1.3307	91.36	1.5377	1.0812
3rd Resistance	1.3095	87.58	1.5470	1.0580
2nd Resistance	1.3008	87.40	1.5445	1.0543
1st Resistance	1.2955	87.00	1.5400	1.0522
Pivot*	1.2943	86.83	1.5342	1.0484
1st Support	1.2883	86.45	1.5280	1.0450
2nd Support	1.2850	86.27	1.5230	1.0400
3rd Support	1.2805	85.85	1.5209	1.0357

Intraday EUR/USD: Consolidates off Friday's peak at 1.3008 to correct the bull wave off 1.2522, but support is likely to emerge above 1.2850 as the short-term uptrend remains decisively strong. The main threat is for a break above the 1.2955 lower high to open the 1.3008 high, creating room for further gains towards wave equality at 1.3095. The 1.2805 area provides the downside limit for corrective weakness.

Weekly chart EUR/USD trend: Bullish.

Intraday USD/JPY: Consolidates off Friday's seven-week low at 86.27, but the dominant bear trend suggests it won't be long before 86.27 is retested. A downwave equality target lies at 85.85, and longer-term bears have set their sights on the late November 2009 low at 84.82. Corrective gains have room to 87.00, although there is limited scope to 87.40 before faltering.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Friday's inside day tests key support at 1.5230, but this area is expected to survive during Monday's session and prompt a recovery back towards last week's bullish outside week high at 1.5470. A break above 1.5400 is required to lift the tone and open the 1.5445 lower high, which stands in the way of the 1.5470 peak. Only a sustained break below 1.5230 would concern bulls at this stage, exposing 1.5209 and 1.5191.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Friday's bear trap low at 1.0400 suggests the short-term downtrend is running into trouble, and consolidation off the subsequent 1.0543 high lacks substance. Weakness needs to be limited above 1.0450 to protect the 1.0400 reaction low, and a break above 1.0522 is required to re-open the 1.0543 high. However, the wider trend is still predominantly bearish, so there is risk of renewed bear pressure on 1.0400 should volumes pick up.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
GMT 0.8425	111.86	1.3517	0.8677	
3 Day Trend	Bullish	Bearish	Bearish	Bearish
Weekly Trend	Bullish	Range	Bullish	Bearish
200 day ma	0.8650	121.61	1.4357	0.8751
3rd Resistance	0.8546	112.91	1.3623	0.8750
2nd Resistance	0.8500	112.62	1.3591	0.8706
1st Resistance	0.8461	112.35	1.3548	0.8689
Pivot*	0.8427	112.45	1.3554	0.8730
1st Support	0.8400	111.37	1.3508	0.8662
2nd Support	0.8366	110.92	1.3458	0.8634
3rd Support	0.8325	110.68	1.3425	0.8617

Intraday EUR/GBP: Friday's push into fresh six-week highs above 0.8418 highlights the improving short-term prospects for EUR, and while 0.8400 contains weakness, the main threat is for renewed bull pressure on Friday's high at 0.8461. However, the 0.8500 area is likely to provide a cap for Monday's strength, protecting the May 28 lower high at 0.8546. A break below 0.8400 would deepen corrective weakness towards 0.8366 and 0.8317.

Weekly chart EUR/GBP trend: Bullish.

Intraday EUR/JPY: Extends the setback off the July 15 bull trap high at 113.40 to probe beneath 111.54, and while resistance at 112.35 caps, the main threat is for further weakness towards the 110.92 higher low. Below there lies the key July 13 higher low at 110.68, which bulls will be keen to hold to keep the structure of the bull wave off 109.14 intact. A sustained break above 112.35 is required to provide respite, opening 112.91.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Consolidates off Friday's high at 1.3623 having reached a key upside target on the way, and bears are set to put pressure on support at 1.3508. The 1.3458 higher low would then come into view, as would key support between 1.3412 and 1.3425. To lift the near-term tone, a break above 1.3548 is required, opening 1.3591.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: Extends the setback off the July 14 bull trap high at 0.8871 following the push below 0.8684, and reaching the 1.618 downside extension target at 0.8617 is the aim. Support has emerged at 0.8634 to protect 0.8617, but a break above 0.8706 is required to suggest marking 0.8634 as a near-term base, opening the 0.8750 area.

Weekly chart AUD/USD trend: Bearish.

* 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"

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