

## MARKET TALK: EUR/USD Over-Extended But USD Story Dominating-ANZ

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2127 GMT [Dow Jones] EUR/USD "really pushing the top end of the bands. It does look over-extended but it is a U.S. dollar story," says ANZ Senior Dealer Alex Sinton. Pair last 1.3805, tips initial resistance at 1.3820, support at 1.3762. Says pair could take breather but given current environment and "with QE II looming" may well head toward resistance. Says reality is if Fed feels they have to take further action, with unemployment where it is, "then you know things are toast and burnt toast at that." Says USD index "at crossroads" and if support breaks on longer term picture "then an acceleration of USD weakness is likely to result." USD Index last 78.016, tips support at 77.85. (rebecca.howard@dowjones.com)

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