MARKET TALK: EUR/USD Heads Higher To 1.3896, Eyes 1.4000

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0727 GMT [Dow Jones] USD weakness is once again the focus of attention for foreign exchange markets Wednesday, and the EUR/USD is pushing into fresh eight-month highs towards 1.3896. Tuesday's bullish outside day provides the impetus, and the psychologically-important 1.4000 level is likely to be tested during the remainder of this week. A medium-term wave equality target lies at 1.4046, coinciding with a two-thirds retracement level of the 1.5145/1.1876 decline, at 1.4055. Failure to hold 1.3823 would prompt a corrective setback towards the 1.3745 area, but scope for weakness is limited. EUR/USD is at 1.3864. - By Francis Bray, Dow Jones Chief Technical Analyst For Europe. (francis.bray@dowjones.com) (This article is general financial information, not personalized investment advice, as it does not consider the unique circumstances affecting an individual reader's decision to buy or sell a specific security or currency. Dow Jones does not warrant the accuracy, completeness or timeliness of the information in this article, and any errors will not be made the basis for any claim against Dow Jones. The author does not invest in the instruments or markets cited in this article.)

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