

2010-11-12_European Forex Technicals - EURUSD Set For Another Move Down

European Forex Technicals: EUR/USD Set For Another Move Down

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0558 GMT	1.3615	82.37	1.6062	0.9766
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bullish	Bearish
200 day ma	1.3371	86.88	1.5591	1.0338
3rd Resistance	1.3765	83.30	1.6259	0.9887
2nd Resistance	1.3728	82.80	1.6178	0.9810
1st Resistance	1.3672	82.61	1.6132	0.9787
Pivot*	1.3709	82.38	1.6125	0.9738
1st Support	1.3589	82.23	1.6036	0.9742
2nd Support	1.3559	82.00	1.6000	0.9710
3rd Support	1.3514	81.60	1.5954	0.9672

Intraday EUR/USD: Another lurch lower prompts fresh six-week lows below 1.3670, and puts 1.3589 to the test. The extent of the setback off the 1.3822 lower high suggests there is scope for more weakness towards the Sept. 30 low at 1.3559, and the downwave equality target at 1.3514 is likely to be met. The 1.3500 area has proved to be a pivotal level in the past, so downside scope should be limited to 1.3500 for Friday's session. Regaining ground above 1.3672 is required to provide temporary respite, but only above 1.3765 would re-open the 1.3822 lower high.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Remains trapped between support at 82.00 and Wednesday's peak at 82.80. The 82.00 support level needs to be tested again, and keeping 82.00 would authenticate the short-term bull trend and prompt a return to resistance at 82.80. Loss of 82.00 would prompt a setback towards 81.60, but the structure of the uptrend would remain undamaged. Above 82.80 would create scope for 83.30 and 83.99.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: The setback off Thursday's high at 1.6178 has turned a neutral daily doji candle bearish following the push below 1.6082, and meeting the 1.6036 downside target is the immediate objective. However, across-the-board USD strength suggests there is room for an extension back to the week's low at 1.5954. Failure to meet 1.6036, combined with a push above 1.6132 would question the bearish outlook, opening 1.6178 and threatening to head higher towards 1.6259.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Tests the week's high at 0.9787 Friday, and is likely to push higher towards 0.9810 following Thursday's break above 0.9768. And although there is scope for gains to projected resistance at 0.9887, the one-month recovery off the 0.9463 all-time low still remains within a bear pennant consolidation pattern. Good support lies at 0.9710 to protect the 0.9672 low, and only below the latter would concern bulls.

Weekly chart USD/CHF trend: Bearish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0627 GMT	0.8478	112.04	1.3305	0.9905
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Range	Bearish	Range
200 day ma	0.8574	116.11	1.3798	0.9183
3rd Resistance	0.8645	113.19	1.3500	1.0075
2nd Resistance	0.8592	112.81	1.3428	1.0005
1st Resistance	0.8530	112.55	1.3400	0.9956
Pivot*	0.8495	112.92	1.3327	1.0011
1st Support	0.8450	111.72	1.3257	0.9890
2nd Support	0.8400	111.53	1.3167	0.9834
3rd Support	0.8350	110.65	1.3072	0.9760

Intraday EUR/GBP: The sharp bear trend takes another significant lurch lower to 0.8450, and there is more to come as 0.8400 and 0.8350 beckon. 0.8350 represents the 1.618 Fibonacci extension target projected off the Nov. 4 lower high at 0.8818, and lies close to the 76.4% Fibonacci retracement level of the 0.8143/0.8941 rally, at 0.8330. The 0.8530 area provides the limit for corrective strength, and only above there would lift the tone.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: The support line of a six-week consolidation phase is under threat close to the week's low at 111.72, and a downside break is expected towards the Oct. 27 reaction low at 111.57. Bears have their sights set on testing the psychologically-important 110.00 level, which is heavily defended by Ichimoku support and downside projected targets. Congestion between 112.55 and 112.81 limits the scope for corrective upside, but only above 113.19 would negate the bearish outlook.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Set another fresh low for the current short-term downtrend at 1.3257 Thursday, and the greater risk still weighs heavily to the downside. A push below 1.3257 would attract a fresh wave of bear pressure to expose 1.3167 and the Sept. 24 higher low at 1.3072 - the latter being part of a major support cluster that protects the psychologically-important 1.3000 level. Resistance at 1.3400 and 1.3428 need to be broken in order to provide respite, opening 1.3500.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Tests support in the 0.9890 area as the corrective setback off the recent 28-year high gets upgraded. Thursday's key lower high at 1.0100 paves the way for a sharper setback towards 0.9834, and there is scope for the 1.618 Fibonacci extension target at 0.9760. To aid recovery hopes, a break above 1.0005 is required on a sustained basis, opening 1.0075 and the 1.0100 lower high.

Weekly chart AUD/USD trend: Range.

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

For more technical analysis see:

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

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