

# European Forex Technicals: EUR/USD Recovery Limited

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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 0616 GMT	1.3605	83.16	1.5932	0.9881
3 Day Trend	Bearish	Range	Bearish	Bearish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3379	86.73	1.5607	1.0320
3rd Resistance	1.3777	84.01	1.6025	1.0000
2nd Resistance	1.3751	83.90	1.5965	0.9977
1st Resistance	1.3650	83.60	1.5947	0.9928
Pivot*	1.3518	83.25	1.5900	0.9925
1st Support	1.3510	83.03	1.5868	0.9865
2nd Support	1.3446	82.80	1.5840	0.9834
3rd Support	1.3380	82.50	1.5762	0.9800

Intraday EUR/USD: Resistance is likely to emerge in the 1.3650 area as dominant bears will look to regain control of the near-term. A successful defence of 1.3650 would attract a fresh wave of bear pressure back to 1.3510, making Tuesday's low at 1.3446 vulnerable. Only a sustained break above 1.3650 would question thoughts of a bear extension to 1.3380, opening 1.3751 and 1.3777.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Remains trapped between 82.80 and 83.60 as the short-term uptrend pauses for breath. However, this standoff is expected to be resolved to the upside, and Tuesday's six-week high at 83.60 is likely to face renewed pressure. A wave equality lies above 83.60 at 83.90, but Ichimoku cloud resistance is now threatening to cap upside scope at 84.01. Failure to keep support at 83.03 intact would prompt weakness back to the range floor at 82.80, but backup support lies in the 82.50 area.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: A corrective recovery off Tuesday's low at 1.5840 is underway, and Wednesday's high at 1.5947 is being challenged. However, upside scope should be limited to the 1.6025 area, where bears are gathered. Fresh downside pressure will then look to test the 1.5868 higher low, which protects 1.5840. Only a sustained break above 1.6025 would question the bearish outlook, opening 1.6080.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Failure to attract follow-through buying left a potential bull trap at 0.9977 on Wednesday, and weakness below 0.9883 brings support at 0.9865 under threat. A break below 0.9865 is expected to expose the wave equality target at 0.9834, but there is scope for a more incisive setback towards the 0.9775/0.9800 key support area. Only regaining ground above 0.9928 would negate the bearish outlook and bring the 0.9977 peak back into the picture.

Weekly chart USD/CHF trend: Bullish.

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0644 GMT	0.8535	113.08	1.3429	0.9859
3 Day Trend	Range	Bullish	Range	Bearish
Weekly Trend	Bearish	Range	Bearish	Bearish
200 day ma	0.8571	115.98	1.3783	0.9208
3rd Resistance	0.8587	113.80	1.3532	1.0005
2nd Resistance	0.8570	113.65	1.3500	0.9944
1st Resistance	0.8557	113.45	1.3472	0.9905
Pivot*	0.8497	112.57	1.3419	0.9786
1st Support	0.8525	112.75	1.3386	0.9832
2nd Support	0.8512	112.41	1.3363	0.9775
3rd Support	0.8451	112.27	1.3320	0.9724

Intraday EUR/GBP: An upside gap has appeared following Thursday's open above 0.8512, and the corrective range ceiling at 0.8557 is the immediate target. However, with backup resistance lying in the 0.8570/87 area, upside scope looks extremely limited at this stage. Support at 0.8525 needs to be broken in order to bring the focus back onto the Nov. 12 reaction low at 0.8451.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: The upside break through 112.75 puts bulls in control of the near-term, and the focus is back on the 113.45/113.65 highs. A break through 113.65 is required to open the top half of the six-week gentle-sloping bear channel, opening 114.30 and channel resistance at 115.37. Congestion between 112.41 and 112.75 will look to limit weakness, and only below the former would negate the positive outlook.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Remains capped beneath Monday's 1.3472 high, but the rally off 1.3386 suggests 1.3472 is likely to face renewed pressure. A break above 1.3472 is required to maintain the recovery off the Nov. 12 reaction low at 1.3230, opening 1.3532 and 1.3605. Failure to keep weakness limited to 1.3386 would question the positive outlook, exposing 1.3363.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Builds on the recovery off Tuesday's low at 0.9724 to open the 0.9895/0.9905 resistance area. However, dominant short-term bears will look to protect 0.9905, and a successful defence will prompt a return to support at 0.9775, leaving the 0.9724 reaction low vulnerable. Only a sustained break above 0.9905 would lift the tone, opening 0.9944 and the 1.0005 highs.

Weekly chart AUD/USD trend: Bearish.

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