

## 2010-11-29\_European Forex Technicals - EUR To Weaken Further

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Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0552 GMT	1.3227	84.06	1.5605	1.0008
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3384	86.51	1.5623	1.0296
3rd Resistance	1.3425	85.00	1.5795	1.0150
2nd Resistance	1.3355	84.25	1.5725	1.0078
1st Resistance	1.3288	84.20	1.5678	1.0057
Pivot*	1.3268	83.95	1.5647	1.0026
1st Support	1.3182	83.90	1.5561	0.9975
2nd Support	1.3145	83.60	1.5495	0.9953
3rd Support	1.3000	83.35	1.5355	0.9925

Intraday EUR/USD: the downtrend extends into fresh two-month lows and Monday's low at 1.3182 is likely to be retested. The failure to keep the medium-term bull support line at 1.3253 intact highlights the dominant bear pressure and downside targets at 1.3145 and the psychologically-important 1.3000 level are likely to be met this week. A wave equality target lies at 1.2949. Only a break through 1.3355 would lift the tone and prompt a recovery back to the 1.3425 area.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: USD bulls are back in control after setting fresh two-month highs and are closing in on reaching the wave equality target at 84.25. The neutral daily Ichimoku cloud has been decisively broken and a sustained break through 84.25 would bring the 85.00 level into the picture. Corrective dips are limited to the 83.60 area, which is shielded by 83.90.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: the bear trend accelerates sharply into fresh two-month lows to expose the 1.5495 support area. However, a 1.618 Fibonacci extension target off the Nov. 22 lower high lies at 1.5355, suggesting the downtrend off the Nov. 4 reaction high at 1.6298 has further to go. Corrective strength is likely to be limited to 1.5725, which protects 1.5833.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: the short-term uptrend remains intact following last week's close above parity for the first time in two months and bulls need to meet the wave equality target at 1.0057. A seven-week bear flag channel resistance line lies at 1.0078 and a display of sustained strength would open the 1.0150 target. Failure to keep corrective weakness limited to the 0.9925 area would concern bulls, exposing the Nov. 23 low at 0.9849.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0615 GMT	0.8479	111.37	1.3248	0.9653
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8566	115.73	1.3757	0.9249
3rd Resistance	0.8595	113.10	1.3425	0.9818
2nd Resistance	0.8565	112.35	1.3390	0.9710
1st Resistance	0.8513	111.91	1.3345	0.9689
Pivot*	0.8466	111.26	1.3295	0.9691
1st Support	0.8465	110.89	1.3221	0.9585
2nd Support	0.8421	110.55	1.3167	0.9500
3rd Support	0.8395	110.32	1.3120	0.9450

Intraday EUR/GBP: weakens sharply off 0.8513 to put pressure on support at 0.8465. And last week's bearish candle suggests a push lower towards Friday's low at 0.8421 is likely. There is still scope for further downside towards 0.8350 and 0.8330 in this downtrend, both targets achievable on a break below 0.8421. Only above 0.8513 would defer the bearish outlook and extend the corrective recovery towards 0.8595.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: bears remain in control while resistance at 111.91 holds and a break below 110.89 would prompt a return to Friday's low at 110.55. Such a move would increase bear momentum and a break below 110.55 would expose last week's low at 110.32 and the psychologically-important 110.00 level. A counter-trend push above 111.91 would defer the bearish outlook, creating scope for 112.35 and 113.10.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: bears have regained control following the breach below 1.3230 earlier Monday, paving the way for a downtrend extension towards 1.3120 and 1.3072. The latter is also the Sep. 24 low, but scope has been created for further weakness towards the psychologically-important 1.3000 level. Only a break above 1.3345 would defer the bearish outlook, opening the Nov. 25 high at 1.3390.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: bears are set to put pressure on Monday's low at 0.9585 as the short-term downtrend looks to extend. A wave equality target at 0.9500, projected off the Nov. 22 lower high at 0.9957 is the main target, but there is scope for other targets at 0.9450 and 0.9400. Only a push above 0.9689 would lift the tone, but gains are limited to the 0.9818 area.

Weekly chart AUD/USD trend: Bearish.

\* 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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