

2010-12-03_08h51_European Forex Technicals - AUD Basing Versus USD

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A DOW JONES NEWSWIRE COLUMN

| Forex spot: | EUR/USD | USD/JPY | GBP/USD | USD/CHF |
|----------------|---------|---------|---------|---------|
| Spot 0532 GMT | 1.3213 | 83.67 | 1.5613 | 0.9940 |
| 3 Day Trend | Bearish | Range | Range | Bearish |
| Weekly Trend | Bearish | Bullish | Bearish | Bearish |
| 200 day ma | 1.3374 | 86.41 | 1.5622 | 1.0284 |
| 3rd Resistance | 1.3309 | 85.00 | 1.5815 | 1.0020 |
| 2nd Resistance | 1.3285 | 84.41 | 1.5725 | 0.9986 |
| 1st Resistance | 1.3248 | 83.97 | 1.5666 | 0.9951 |
| Pivot* | 1.3172 | 83.89 | 1.5594 | 0.9957 |
| 1st Support | 1.3150 | 83.48 | 1.5567 | 0.9888 |
| 2nd Support | 1.3060 | 83.38 | 1.5513 | 0.9849 |
| 3rd Support | 1.2969 | 83.17 | 1.5486 | 0.9800 |

Intraday EUR/USD: The corrective recovery off 1.2969 is poised to extend above 1.3248, and has upside room for 1.3309. Resistance at 1.3285 will look to protect 1.3309, and only a sustained break through 1.3309 would upgrade the recovery and improve prospects for the short-term. Failure to hold 1.3150 would prompt weakness to Thursday's 1.3060 low - the latter shielding the 1.2969 low.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Remains locked within a trading range between 83.38 and 84.41, although a rally back to the range high is likely. A weekly close above 84.11 is required to keep the uptrend solid, and a fresh wave of USD bull pressure is needed to force a break through 84.41 towards 85.00. Failure to keep 83.38 intact would prompt slippage to Ichimoku cloud support at 83.17, but only a sustained break below 83.17 would concern bulls.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Thursday's long-legged doji neutralises the recovery, and suggests a period of consolidation beneath Thursday's high at 1.5666 is required. However, the near-term tone suggests there is scope for retesting 1.5666, threatening to negate the doji and prompt a sharp move higher towards 1.5725 and 1.5815. Failure to break through 1.5666 would prompt a downward drift towards 1.5513, as part of consolidation to protect Tuesday's reaction low at 1.5486.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Thursday's sharp setback leaves the 1.0067 peak stranded, and renewed bear pressure is expected to test support at 0.9888. Testing the Nov. 23 key low at 0.9849 is the main objective, and a break below there would suggest the eight-week bear flag has been completed, prompting weakness 0.9800. Regaining ground above 0.9951 would open 0.9986, but only above 1.0020 would re-open the 1.0067 peak.

Weekly chart USD/CHF trend: Bearish.

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Second Table

| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0605 GMT | 0.8467 | 110.63 | 1.3135 | 0.9767 |
| 3 Day Trend | Bullish | Range | Bearish | Bullish |
| Weekly Trend | Bearish | Bearish | Bearish | Bearish |
| 200 day ma | 0.8560 | 115.52 | 1.3732 | 0.9265 |
| 3rd Resistance | 0.8595 | 112.25 | 1.3230 | 0.9957 |
| 2nd Resistance | 0.8514 | 111.57 | 1.3230 | 0.9855 |
| 1st Resistance | 0.8490 | 111.30 | 1.3207 | 0.9780 |
| Pivot* | 0.8451 | 110.64 | 1.3162 | 0.9723 |
| 1st Support | 0.8416 | 109.97 | 1.3070 | 0.9739 |
| 2nd Support | 0.8385 | 109.10 | 1.3014 | 0.9700 |
| 3rd Support | 0.8358 | 108.33 | 1.2934 | 0.9631 |

Intraday EUR/GBP: The key resistance area between 0.8490 and 0.8514 is under threat following two-days of solid gains. However, a fresh wave of bull pressure through 0.8514 is required to upgrade the recovery, and create room for the Nov. 22 lower high at 0.8595. Loss of 0.8416 would put bears in control of the near-term, to expose 0.8385 and 0.8358.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: The recovery off the week's low at 108.33 is running into resistance at 111.30 and 111.57. A fresh wave of upside pressure is required to keep bulls in control, opening 111.91 and the 112.25 area. Failure to keep weakness limited to Thursday's 109.97 low would prompt a move lower towards 109.10. Only below 109.10 would bring the 108.33 reaction low back into the picture.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Suffers a setback off 1.3207 Thursday, and more weakness is expected below support at 1.3070. A deeper retracement of the corrective rally off Tuesday's 11-week low at 1.2934 is expected, exposing 1.3014 and threatening a return to the 1.2934 low. Key resistance lies at 1.3230, so scope for corrective upside is limited.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: An upside break through 0.9780 looks imminent as the strong recovery looks to extend towards 0.9855. Wednesday's bullish outside day low at 0.9537 also completed a bull wedge on the 60-minute chart, leaving a significant base from which to launch an attack on the Nov. 22 lower high at 0.9957. Corrective weakness will attract support while above 0.9700, and only a push below 0.9631 would concern bulls.

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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