

WFXAdvisor – Weekly Market Outlook



GBP/USD

05-09th May 2008

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Time (NYT)	Location	Description	Forecast	Previous	Actual
2008.05.05 10:00	US	April Non-Manufacturing ISM	49.1	49.6	
2008.05.06 00:30	Australia	RBA Rate Decision	7.25%	7.25%	
2008.05.06 03:55	E-13	April Germany Services PMI	54.6	51.8	
2008.05.06 04:00	E-13	April Composite PMI	51.9	51.8	
2008.05.06 04:00	E-13	April Services PMI	51.8	51.6	
2008.05.06 04:30	UK	April Services PMI	51.6	52.1	
2008.05.06 05:00	E-13	March PPI y/y	5.6%	5.3%	
2008.05.06 05:00	E-13	March PPI m/m	0.7%	0.6%	
2008.05.07 04:30	UK	March Manufacturing Production y/y	1.2%	1.9%	
2008.05.07 04:30	UK	March Manufacturing Production m/m	0.0%	0.4%	
2008.05.07 04:30	UK	March Industrial Production m/m	-0.1%	0.3%	
2008.05.07 04:30	UK	March Industrial Production y/y	0.8%	1.3%	
2008.05.07 05:00	E-13	March Retail Sales y/y	-0.6%	-0.2%	
2008.05.07 05:00	E-13	March Retail Sales m/m	0.2%	-0.5%	
2008.05.07 06:00	E-13	March Germany Industrial Orders m/m	0.3%	-0.5%	
2008.05.07 10:00	US	March Pending Home Sales	-1.0%	-1.9%	
2008.05.07 15:00	US	March Consumer Credit	\$6.0b	\$5.16b	
2008.05.08 02:00	E-13	March Germany Exports m/m	0.4%	0.0%	
2008.05.08 02:00	E-13	March Germany Trade Balance	16.5b eur	16.4b eur	
2008.05.08 02:00	E-13	March Germany Imports m/m	0.7%	-0.4%	
2008.05.08 06:00	E-13	March Germany Total Industrial Production m/m	-0.5%	0.4%	
2008.05.08 07:00	UK	May BoE Rate Decision	5.0%	5.0%	
2008.05.08 07:45	E-13	May ECB Rate Decision	4.0%	4.0%	
2008.05.08 08:15	Canada	April Housing Starts	222.5k units	254.7k units	
2008.05.08 08:30	US	Weekly Jobless Claims	377.0k	380.0k	
2008.05.08 08:30	E-13	Trichet's Press Conference			
2008.05.08 10:00	US	March Wholesale Sales	n/f	-0.8%	
2008.05.08 10:00	US	March Wholesale Inventory	0.5%	1.1%	
2008.05.09 02:00	E-13	April Germany Wholesale Price Index y/y	6.6%	7.1%	
2008.05.09 02:00	E-13	April Germany Wholesale Price Index m/m	0.3%	1.6%	
2008.05.09 07:00	Canada	April Unemployment Rate	6.0%	6.0%	
2008.05.09 08:30	US	March International Trade	-\$61.3b	\$62.32b	
2008.05.09 08:30	Canada	March Exports	n/f	C\$39.32b	

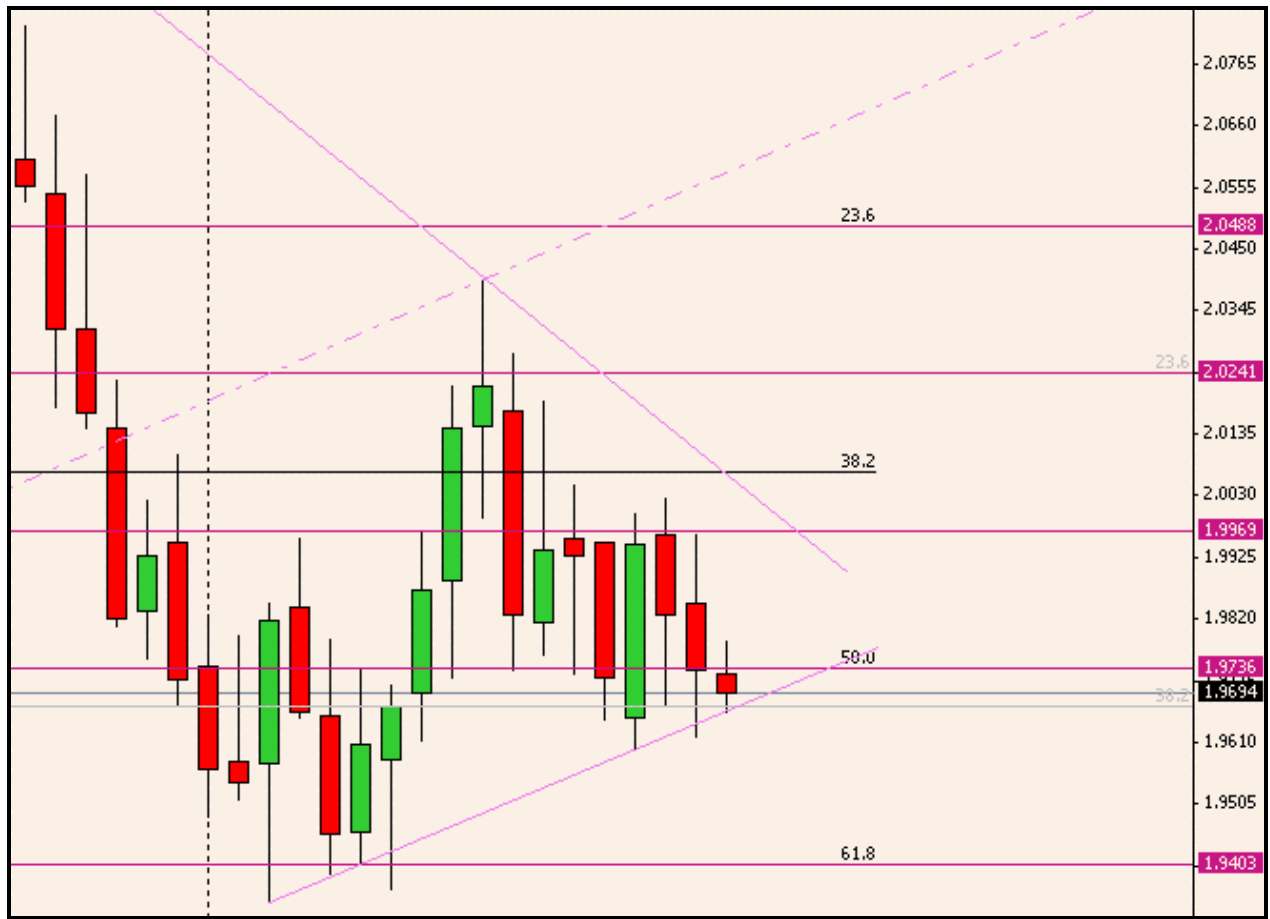


Chart 1 - GBPUSD Weekly



Chart 2 - GBPUSD Daily



Chart 3 - GBPUSD 4-Hours

GBP / USD Technical Picture / Pattern Analysis

Weekly :

Most of April price action remained in a 400 pips range. Main consolidation triangle is still active, but should end very soon.. Expected trading range extends from 1.9570 to 1.9840. TO the upside, 1.9780 weekly high has to be outperformed in order to test higher resistances. 1.9845 (1st objective) act as a pivot point and price reaction at this level has to be monitored. Any break above allow a test of 1.9920/70 resistance zone (2nd objective). To the downside, a strong resistance zone extends from 1.9620 to 1.9670. A clear and sustained break below this resistance zone, added to a weekly close below triangle base argue in favor of a downtrend continuation. If so, 1.9560, 1.9470 & 1.94 are possible targets over next weeks.

Daily :

Nervous and swingy price action takes place last 2 weeks, but price remain in the main consolidation wedge. Expected trading range for coming days extends from 1.9605 to 1.9760. To the upside, 1.9760 (1st objective) is the immediate resistance to watch. Any break above means correction is not over, and a test of the 1.9840/90 resistance zone may follow. To the downside, a break below trendline at 1.9660 argue in favor of a break lower towards 1.9610 initially (1st objective). If this level does not reject price, we may see further downside move towards 1.9530 (2nd objective). Below, nothing strong before 1.9430.

4-Hours :

Swings were very volatile, reversals were rapid, and false break numerous. Price is searching for a direction, but consolidation figures shows this ranged consolidation may end soon. Start of the week shows Pound is trading with a heavy tone. While below 1.9720/40, this bias remain neutral to negative. To the upside, a break above 1.9720/40 means consolidation continues, but only a break above 1.9790 main resistance will argue in favor of another swing higher towards 1.9860/80 resistance zone (main upside objective). If price can't reach 1.9760/90, we may see further downmoves towards 1.9640 first (main downside objective), ahead of 1.96 base support, where price reaction has to be monitored carefully.

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