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WEEKLY TECHNICAL STRATEGIST

EURUSD: Keeps A Second Week Of Upside Gains In Force, Closes In On The 1.5844 Level.

EURUSD- Having recovered off the 1.5304 level, its Jun 13'08 low and maintained a second week of upside gains the past, EURUSD now looks to challenge the 1.5844 level, its Jun 09'08 high initially where a decisive break and hold above there will leave it aiming at the 1.5895/I 5912 area, its Mar 31'08 high/April 10'08 high and next its YTD high at 1.6018. This view remains clearly supported by its daily and weekly studies which are positive and trending higher. Conversely, a failure at the 1.5844 level, its Jun 09'08 if seen will confirm a looming sideways trading range between the 1.5844 and 1.5285 levels with the 1.5652 level, its Jun 20'08 high coming in as the immediate downside target ahead of its Jun 23'08 low at 1.5468. Below there will open the door for further decline towards its May 08'08 low at 1.8285 with a loss of there triggering the resumption of its short term weakness towards its .50 Ret (1.4309-1.6018 high) at 1.5164. On the whole, with upside price momentum maintained, risk has now opened up towards the 1.5844 level and beyond.

Directional Bias:

Nearer Term -Bullish
Short Term -Mixed
Medium Term -Bullish

Performance in %:

Past Week: +1.14%
Past Month: -0.45%
Past Quarter: +8.03%
Year-To-Date: +8.25%

Weekly Range:

High -1.5798
Low -1.5468

Weekly Chart: EURUSD



GBPUSD: GBP Erodes The 1.9851 Level Following Several Failed Attempts.

GBPUSD-GBP ended the week higher breaking its minor resistance at the 1.9791 level, its Jun 20'08 high and its solid resistance at 1.9851 (May 23'08 high) to close Friday trading session at 1.9946. This is coming on the back of a number of failed attempts at the 1.9851 level in the past. This has now put the pair on the path of further upside gains aiming at the 1.9965/2.0027 zone, its Feb 27'08/April 21 & 28'08 highs at first and later its Mar 27'08 high at 2.0191. Pushing through the latter will turn focus to its Mar 14'08 high at 2.0398. The daily and weekly RSI & Stochastics are positive and heading higher suggesting further strength. On any pullback from the present price levels, its invalidated level at 1.9851 should reverse roles as support and turn the pair higher but if that fails to occur, its the 1.9791 level, its Jun 20'08 high will be targeted before the 1.9598, its April 15'08 low. Further support levels are located at the 1.9407 level, its Jun 13'08 low and the 1.9360/35 zone, its 2008 lows. In summary, while the loss of layers of resistance and its weekly falling channel have put a hold on to its medium term decline, the pair is expected to head further higher in the days and weeks ahead

Directional Bias:

Nearer Term -Bullish
Short Term -Bullish
Medium Term -Bearish

Performance in %:

Past Week: +0.94%
Past Month: -0.22%
Past Quarter: -0.14 %
Year-To-Date: +0.45%

Weekly Range:

High -1.9952
Low -1.9586

Weekly Chart: GBPUSD



USDJPY: Loses Daily Rising Channel, Turns Attention To The 105.88/70 Levels.

USDJPY- Although a break below its rising daily channel and a second week of lower closes were seen the past week, as long as the present price action is contained by the 105.88/70 levels, its May 22 & 02'08,USDJPY looks to head to the upside a gain in continuation of its medium term upside recovery off its 2008 low at 95.75. In such a case, the 107.13 level, its Jun 20'08 low will come in as the initial resistance followed by the 108.42/59 zone, representing its Jun 16 & 25'08 highs. Beyond there will keep the pair targeting its Jan 09'08 high at 110.12. However, if a follow-through on the mentioned two weeks of weakness is seen, then further losses should follow towards the 105.88/70 levels with a clearance of there putting the pair in position to extend more downside pressure towards its .382 Fib Ret at 103.73 ahead of 102.73/58 area, its May 12 & 22'08 lows. While the weekly studies remain in overbought territory, its daily studies have turned lower supporting the present downside weakness. On the whole, having weakened for a second week in a row, USDJPY is envisaged to move further lower but the 105.88/70 level is expected to preserve its recovery started at 95.75.

Directional Bias:

Nearer Term -Bearish

Short Term -Mixed

Medium Term -Bullish

Performance in %:

Past Week: -1.11%

Past Month: +1.53%

Past Quarter: -10.69%

Year-To-Date: -5.01%

Weekly Range:

High -108.42

Low -105.86

Weekly Chart: USDJPY



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