

FRI, July 08'08 5:26 am EST
DAILY TECHNICAL STRATEGIST

EURUSD: EUR Halts Corrective Pullback, Bounces Off Its Daily 50 Ema.

EURUSD: EUR remains firmly above the 1.5650 level(June 20'08 high) having traded lower intra day and later taking back those losses to close higher on Monday after bouncing off its daily ema currently located at 1.5629.While this development continues to payout,the pair is expected to head to the upside reducing its decline off the 1.5908 level taking into account an invalidation of the 1.5817/42 zone, its May 27'08/Jun 09'08 which defines the upper trading range in EUR.Above this range will see the pair targeting and possibly recapturing the 1.5895/1.5912 area, its Mar 31'08/July 03'08/April 10'08 highs leaving the next upside objective at its YTD high at 1.6018.Its daily stochastics remains mixed. On the contrary, failing to follow through on its Monday gains will suggest a turn lower aiming at the 1.5650/29 levels, representing its Jun 20'08 high/daily 50 ema initially with scope for further losses towards 1.5520/10 area, its LT rising trendline/April 03'08 low. More downside incursions if seen will push the pair lower towards the 1.5360/64 zone, its .382 Fib Ret/ Jun 05'08 low and then its May 08'08 low at 1.5283.On the whole,EUR remains trapped within its sideways trading range and requires a break out of it to create meaningful directional moves.

Support

1.56509/2
1.5593
1.5520/10
1.5360/64

Comments

Jun 20'08 high/Daily 50 ema
May 06'08 high
April 03'08 low
.382 Fib Ret/ Jun 05'08 low

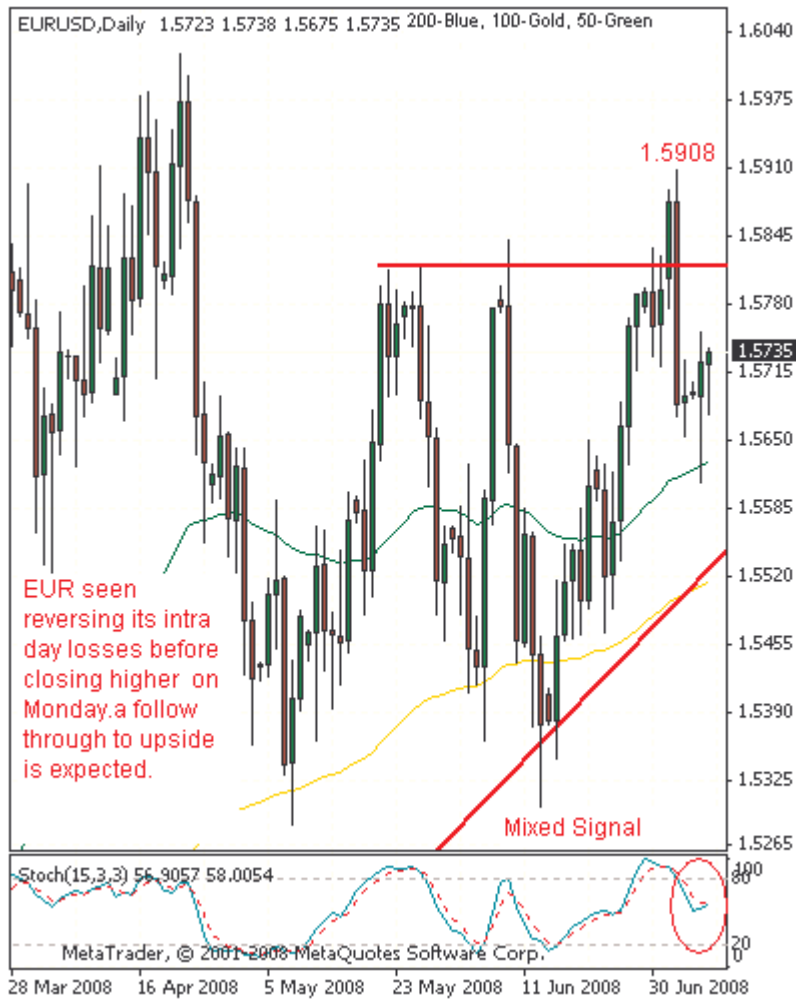
Resistance

1.5817/42 high
1.5895/1.5912
1.6018

Comments

May 27'08/Jun 09'08
Mar 31'08 high/July 03'08/April 10'08 high
YTD high

Daily Chart: EURUSD



GBPUSD: GBP's Nearer Term Corrective Pullback Continues To Dominate.

GBPUSD: Although GBP took back part of its intra day losses Monday, it however ended the day lower registering a fourth day of downside losses since topping out at 2.0004 high the past week. With both price and momentum indicators still trending lower, GBP is expected to weaken towards the 1.9598, its April 15'08 low while holding below the 1.9850 zone. Below the former will turn focus to the 1.9407 level, its Jun 13'08 low before the 1.9360/35 zone, its 2008 lows. Resistance above the 1.9800/1.9790 levels, marking its Jun 09 & 20'08 highs will aim at its May 23'08 high at 1.9850 with a loss of there extending upside gains towards the 2.0004/26 zone, its July 01'08/April 21'08 highs and next the 2.0191 level, its Mar 27'08 high. In short, GBP looks vulnerable to the downside drawing support from both price and momentum indicators.

Support	Comments
1.9598	April 15'08 low
1.9407	Jun 13'08 low
1.9360/35	2008 lows

Resistance	Comments
1.9800/1.9790	Jun 09 & 20'08 highs
1.9850	May 23'08 high
2.0004/26	July 01'08/April 21'08 highs
2.0191	Mar 27'08
2.0396	Mar 14'08 high

Daily Chart: GBPUSD



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