

Mon, 21st of July, 2008 8:59 am EST  
**WEEKLY TECHNICAL STRATEGIST**

**EURUSD: Retest Remains In The Offing While Trades Above The 1.5774 Level**

**EURUSD**- Following its test of 1.6037 high and its subsequent decline sharply on Tuesday, EUR managed to trade and hold above key support at the 1.5774 level daily rising channel base) to close the week at 1.5847. With the pair still trading within the said rising channel and maintaining its pattern of higher highs and higher lows, upside risks are envisaged initially towards its July 03'07 high at 1.5908 with a break through there extending gains to the its April 22'08/YTD high at 1.6018/37 and probably higher. Weekly momentum indicators are positive supporting this view. Supports are seen at the 1.5774 level followed by the 1.5610 level, representing its July 07'08 (coinciding with its LT rising trendline). Below there should push the pair further lower targeting its Jun 23'08 low at 1.5467 and then the 1.5302 level, its Jun 13'08 low. On the whole, EUR should head to the upside again on completing its current decline.

**Directional Bias:**

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

**Performance in %:**

Past Week: -0.41%  
Past Month: +1.30%  
Past Quarter: +0.01%

**Weekly Range:**

High -1.6037  
Low -1.5782

## Weekly Chart: EURUSD



## **GBPUSD: Rising Channel Keeps GBP Focus On The Upside.**

**GBPUSD**-Although GBP held briefly above the 2.0000 and subsequently tumbled lower, it however closed the week higher maintaining a second week of such gains since printing a low of 1.9643. It now trades within its daily rising channel. While the pair holds above its major emas and the 1.9850 level, its May 23'08 high, resumption of its recovery off the 1.9407 is likely aiming at the 2.0004/26 level, its July 02'08/April 21'08 highs at first and then the 2.0155 high, its July 15'08 high. A push through there will open up risk towards the 2.0191 level, its Mar 27'08 high ahead of its Mar 14'08 high at 2.0398. Its weekly studies remain positive and trending higher suggesting further strength. On the other hand, the 1.9850 level, its May 23'08 high comes in as the immediate support accompanied by the 1.9800/1.9790 zone, its Jun 09 & 20'08 highs before the 1.9643 area, its July 07'08 low. In short, GBP's short term bullish structure remains supported by its rising channel and should head higher while that holds.

### **Directional Bias:**

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

### **Performance in %:**

Past Week: +0.63%  
Past Month: +0.61%  
Past Quarter: +0.50 %

### **Weekly Range:**

High -2.0155  
Low -1.9812

# Weekly Chart: GBPUSD



## **USDJPY: Recovery Off The 95.75 Low Remains Alive And Kicking.**

**USDJPY-** While the 102.58 level remains the level to be decisively broken to turn the pair's medium term recovery off the 95.75 level (its YTD high) lower, remaining above the 105.70/87 zone, its May'08 high following a break below its daily rising channel suggests an eventual resumption of its medium term uptrend. This view leaves the 107.09 level, representing its daily 200 ema followed by the 107.76 area, its July 07'08 as upside targets where a clean invalidation of the latter should open up upside risks towards its Jun 16'07 high at 108.59. This level is significant as it coincides with the pair's weekly 50 ema and the 108.61 level (Feb 14'08 high). Above here if it occurs is expected to activate the resumption of its medium term uptrend towards its .50 Ret (124.15-95.75 decline) at 110.01 and possibly higher. Daily and monthly stochastics remain supportive of this scenario though the weekly is overbought. On the downside, a break back below the 105.70/87 zone is required to reverse its two-day recovery and bring further weakness lower aiming at its July 16'08 low at 103.78 with a loss of there exposing the 102.58 low, its May 12'08 low ahead of the 100.03 low printed in early April'08. All in all, USDJPY must cleanly break and hold below the 102.58 area to endanger its recovery off the 95.75 level started in Mar'08.

### **Directional Bias:**

Nearer Term -Bullish

Short Term -Mixed

Medium Term -Bullish

### **Performance in %:**

Past Week: +0.34%

Past Month: +0.59%

### **Weekly Range:**

High -107.08

Low -103.76

Weekly Chart: USDJPY



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