

FX Daily

Global Strategy Technical Analysis

Today's highlights:

- EURUSD has finally completed the long-looked for large bear "wedge", and we target 1.3248, then 1.2755.
- USDCHF spotlight remains on the key .9038 high. Above here is needed for a larger base, for .9135
- EURGBP is expected to extend below .7888/86 to test channel support at .7860 next, ahead of our .7800 core target.
- GBPUSD stays at risk to a deeper setback to 1.7008/01.
- EURJPY remains bearish for the 2014 low at 136.23.
- AUDUSD's surge above price resistance at .9411 eases the immediate topping concern.
- USDCAD holds below downtrend resistance at 1.0795, but needs to break 1.0707 to see a small top.

Today's trades/positions:

- EURUSD: Short, stop above 1.3553, for 1.3250.
- USDJPY: Short, stop above 102.41, for 100.85.
- GBPUSD: Long, stop below 1.6921, for 1.7330.
- USDCHF: Long, stop below .8939, for .9038. Buy again on break above here, as this can target .9135.
- AUDUSD: Long, stop/reverse below .9320, for .9580.
- NZDUSD: Flat. Sell at .8722, stop above .8751, for .8540. Add on break of .8642.
- USDCAD: Long from 1.0650/00 squared at 1.0760. Sell at 1.0750, stop above 1.0795 for 1.0635.
- EURJPY: Flat. Sell at 137.10/30, stop above 137.55, for 136.25.
- EURGBP: Short, stop above .7995, for .7810.

Hierarchy Grid

Foreign Exchange		Last run Tue, 22 Jul 2014 04:30:15
21-day:	JPY, USD, GBP, AUD, CAD, CHF, EUR, NZD	STRONGEST WEAKEST
63-day:	CAD, GBP, NZD, JPY, AUD, USD, CHF, EUR	
100-day:	CAD, GBP, AUD, NZD, JPY, USD, CHF, EUR	

Source: Credit Suisse

EURUSD

Resistance 1.3495, 1.3513, 1.3531, 1.3550/53*, 1.3570/75*,
1.3587/89*, 1.3628*, 1.3641*, 1.3652/53*

Support 1.3458, 1.3444, 1.3399*, 1.3374*, 1.3344, 1.3318,
1.3295**, 1.3254, 1.3248**, 1.3228*, 1.31589

Resistance/Support tables rank level importance by stars *, **, to *** being most important

The break below the key 1.3477 low should confirm a large bearish "wedge" for 1.3295 initially, then 1.3248.

EURUSD has finally capitulated below the key 1.3477 February low. This confirms the long-awaited large bear "wedge" pattern and now also a "head & shoulders" top, and we maintain our bearish outlook for further weakness to 1.3399 initially, then the 50% retracement of the 2013/14 rise at 1.3374. We allow for a bounce here ahead of our target at 1.3248/28 – the 38.2% retracement of the entire 2012/2014 uptrend. While we would expect this to hold at first, bigger picture, we see scope for 1.2755.

Resistance shows at 1.3495 initially, then 1.3531, with 1.3550/53 ideally capping to keep the immediate risk lower. Above can see a deeper recovery to 1.3570/75.

Strategy: Short, stop above 1.3553, for 1.3250.

View | 1 day | 1 week | 1 month

Weekly



Source: CQG, Credit Suisse

USDJPY

Resistance 101.61/66, 101.74, 101.81/85*, 101.95/98*, 102.05,
102.15, 102.19/28*, 102.41

Support 101.34*, 101.27, 101.19*, 101.09/06*, 100.85/75**,
100.62*, 100.44*, 100.00*

A sideways range remains in place.

USDJPY has climbed higher in its range, but we look for this near-term strength to ideally cap below 101.81/85 – price, 61.8% retracement of the decline from early to mid-July and the 55-day average resistance – to keep the immediate risk lower. Further weakness should see a move to the early July low at 101.06, followed by a challenge of more important support from the lower end of the medium-term range at 100.85/75. Only below this latter area would mark a large top, aiming at 99.64 initially – the 50% retracement of June 2013/Jan 2014 rise.

Immediate resistance shows at 101.61/66. Above 101.81/85 is needed to form a small base to aim at the July high at 102.28.

Strategy: Short, stop above 102.41, for 100.85.

View | 1 day | 1 week | 1 month

Daily



Source: CQG, Credit Suisse

GBPUSD

Resistance 1.7085, 1.7101*, 1.7119*, 1.7132, 1.7145/52*,
1.7192/1.7200*, 1.72680*, 1.7285*, 1.7300

Support 1.7059, 1.7041/36*, 1.7008/01*, 1.6998*, 1.6971,
1.6952/50**, 1.6923**, 1.6900, 1.6872**

Resistance/Support tables rank level importance by stars *, **, to *** being most important

The risk is seen lower to 1.7008/01.

GBPUSD remains on the back foot this week, leaving the immediate focus on support next at 1.7008/01 – the 38.2% retracement level. We look for buying to try and emerge here. A break can see a deeper setback to 1.6950/45 – the 61.8% retracement level and the rising 55-day average – but with fresh buying expected here.

Above 1.7119 is needed for a small base, and through 1.7152 for the 1.7181 early July high. Above here is needed to turn the trend higher to potential trend resistance at 1.7280, and eventually our long-held medium-term target at 1.7330/32.

Strategy: Long, stop below 1.6921, for 1.7330.

View | 1 day → | 1 week ↑ | 1 month ↑

Daily



Source: CQG, Credit Suisse

USDCHF

Resistance .9038/39**, .9064, .9084*, .9135/36**, .9158**, .9175, .9190/93*, .9202,

Support .9001, .8977*, .8967/61*, .8948/45*, .8939*, .8915/10**, .8901/.8896*, .8887, .8873*

Resistance/Support tables rank level importance by stars *, **, to *** being most important

The spotlight remains on the key .9038 high. Above here is needed for a larger base for .9135.

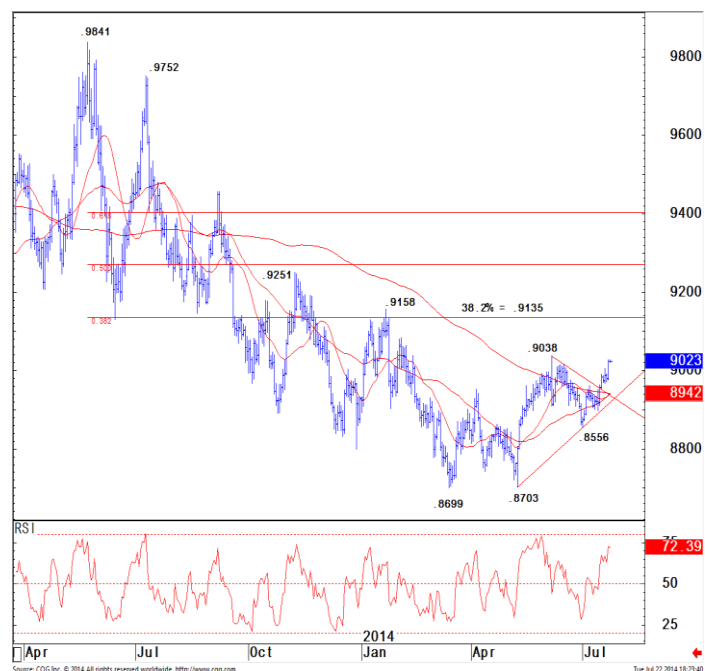
USDCHF has rallied further this week, through the .9015 level to approach the key barrier at .9038 – the 2014 high. We would expect an initial cap here. However, above can see a better base established for .9084 initially with scope to test the 38.2% retracement for the May 2013/March 2014 fall at .9135.

Immediate support shows at .9001, then .8977/61, below which can see a small top for a slide back to .8945, potentially the uptrend, seen today at .8912.

Strategy: Long, stop below .8939, for .9038. Buy again on a break above here, as this can target .9135.

View | 1 day ↑ | 1 week ↑ | 1 month ↑

Daily



Source: CQG, Credit Suisse

AUDUSD

Resistance .9457*, .9467/68, .9486, .9506/10*, .9523/31, .9584**, .9621**

Support .9425/24*, .9397, .9380*, .9360, .9336/29*, .9322/18**, .9310/04*, .9296, .9276, .9258*




Resistance/Support tables rank level importance by stars *, **, to *** being most important

The break above .9411 eases immediate topping concerns.

AUDUSD has surged higher above .9408/11 - key price and the near-term falling trendline resistance – easing immediate topping concerns. Further strength here can see a move towards .9457, with this seen as the trigger for a move back to the 2014 high at .9506. Above here though can see an extension towards the 38.2% retracement of the decline from 2011/2014 at .9584, with better sellers expected here.

Immediate support shows at .9397, then .9380, with a break here needed to see a retest of .9330/22 – the key “neckline” and price support. Only below here would complete a top.

Strategy: Long, stop/reverse below .9320, for .9580.

View | 1 day |  | 1 week |  | 1 month | 

Source: CQG, Credit Suisse

Daily



NZDUSD

Resistance .8698/.8704, .8721/24*, .8732*, .8750, .8775*, .8819, .8834/36*, .8845**

Support .8653/42*, .8619, .8596*, .8576/68, .8541/36*, .8521*, .8490, .8481/80*, .8452/43**




Resistance/Support tables rank level importance by stars *, **, to *** being most important

Key 55-day average support at .8651/42 continues to hold for now.

NZDUSD continues to hold key price support and 55-day average at .8651/42. Although stuck in a near-term consolidation phase after last week's decline, we remain biased for an eventual break lower, which should then trigger further weakness towards .8536/21 at first. Below here can then see a potential move back towards the rising 200-day average and the 50% retracement of the 2014 rally at .8452/43.

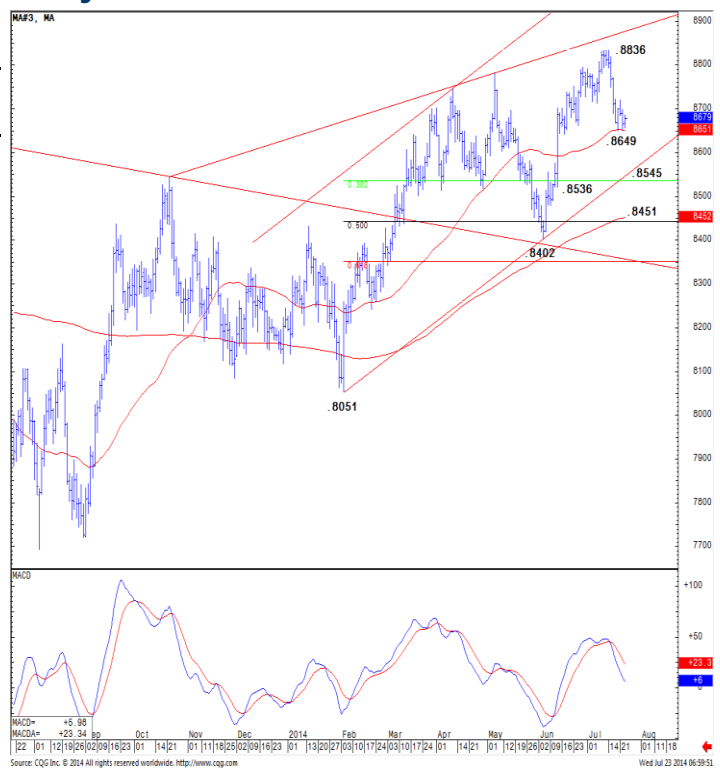
Above .8724 can see a small base for .8765/75. Through here though is needed to retarget the .8836/45 highs.

Strategy: Flat. Go short at .8722, stop above .8751, for .8540. Also, add on break of .8642.

View | 1 day |  | 1 week |  | 1 month | 

Source: CQG, Credit Suisse

Daily



USDCAD

Resistance 1.0743, 1.0761/68*, 1.0795**, 1.0805, 1.0812/19*,
1.0828**, 1.0840/43, 1.0890*

Support 1.0726/25*, 1.0709/07*, 1.0696*, 1.0677*,
1.0632/18**, 1.0600**, 1.0588/80*, 1.0557**

Resistance/Support tables rank level importance by stars *, **, to *** being most important

Trendline resistance at 1.0768/95 continues to cap.

USDCAD remains capped below trendline resistance from March and 50% retracement of the June/July decline at 1.0768/95. Near-term support shows at 1.0725, below which can see a retest of the 1.0707 support. A break here is needed for a small top for weakness back to 1.0677 initially, and potentially back to more important support at 1.0632/18.

Above 1.0795 is needed to test a bigger obstacle at the 200-day average and the "point-of-breakdown" from June at 1.0819/40. We look for a better top here.

Strategy: Long from 1.0650/00 squared at 1.0760. Sell at 1.0750, stop above 1.0795, for 1.0635.

View | 1 day | 1 week | 1 month

Daily



Source: CQG, Credit Suisse

EURJPY

Resistance 136.80*, 137.01, 137.38/43, 137.56/60, 137.80*,
138.10, 138.46/48*, 138.61, 138.78/80*

Support 136.46, 136.23**, 136.02, 135.72, 135.48/47*,
135.39/33, 134.37, 134.24*, 134.10*

Resistance/Support tables rank level importance by stars *, **, to *** being most important

We stay bearish for the 2014 low at 136.23.

EURJPY has declined lower, staging a clear break below the 61.8% retracement of November/December 2013 rise at 136.76/74. We stay bearish for further weakness towards more important support from the low for the year from February at 136.23. Capitulation here though can trigger a bigger top, which should see the establishment of a more bearish trend towards 135.48/47 initially and eventually 131.20.

Near-term resistance shows at 136.80, followed by 137.38/43, above which would now complete a small base for a move back to 137.80.

Strategy: Flat. Sell strength at 137.10/30, stop above 137.55, for 136.25.

View | 1 day | 1 week | 1 month

Daily



Source: CQG, Credit Suisse

EURGBP

Resistance	.7908/12, .7926, .7934/39*, .7945/46*, .7956*, .7982/90**, .7996, .8010*, .8016, .8025/36**
Support	.7888/86*, .7860**, .7855, .7833, .7812*, .7800/ .7799*, .7790/85**, .7755**

Resistance/Support tables rank level importance by stars *, **, to *** being most important

We look for an extension below .7888/86 to test channel support at .7860 next, ahead of our .7800 core target.

EURGBP strength has again been capped below the falling 21-day average at .7946, which has seen a fall back to the recent low at .7888/86. We look for an extension below here to see a test of channel support at .7860. We allow for a hold and bounce from here again. However, we look through it for an eventual move to our core long-held target at .7800, the lower end of the medium-term range. An overshoot to the 2012 low at .7755 should be allowed for, but we would expect a floor in this .7800/.7755 zone, for a potentially lengthy consolidation/recovery phase.

Resistance shows first at .7934/39, with a break through here to .7945/46 which we look to cap.

Strategy: Short at .7950, stop above .7995. Take profit at .7810.

View | 1 day ↓ | 1 week ↓ | 1 month ↓

Daily



Source: CQG, Credit Suisse