

2010-03-26_European Forex Technicals

European Forex Technicals: GBP Under The Cosh

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A DOW JONES NEWSWIRES COLUMN

LONDON (Dow Jones)--Rolling 24-hour chart levels:

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0556 GMT	1.3345	92.57	1.4878	1.0713
3 Day Trend	Bearish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.4109	91.74	1.5916	1.0583
3rd Resistance	1.3463	93.78	1.5110	1.0810
2nd Resistance	1.3446	93.50	1.5040	1.0798
1st Resistance	1.3388	92.96	1.4980	1.0752
Pivot*	1.3309	92.48	1.4871	1.0723
1st Support	1.3305	92.39	1.4802	1.0673
2nd Support	1.3267	91.76	1.4785	1.0648
3rd Support	1.3214	90.95	1.4664	1.0612

Intraday EUR/USD: Stages a corrective recovery off 1.3267 to ease the dominant bear tone, and is testing resistance at the 1.3388 lower high. Corrective are likely to struggle, and the 1.3463 area is likely to provide cap. However, the dominant trend is bearish, and risk exists for further bear pressure on the 1.3267 low. A downside projection target lies at 1.3214.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Undergoes consolidation off Thursday's high at 92.96 to correct strength initiated by Wednesday's sharp break through 91.09. Below 92.39 is required to extend the corrective setback, but dips are expected to be contained above Thursday's low at 91.76. However, bulls still retain near-term control, and pressure on 92.96 would offer hopes of further strength to 93.50.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Extends the bear tone off Tuesday's lower high at 1.5110, and increases pressure on the 2010 low at 1.4785, set on Mar. 1. With the 1.4980 area capping corrective strength, a break below 1.4785 is a distinct possibility, which would create room for further weakness into 10-11 month lows towards the 1.4664 downside target.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Undergoes consolidation off Thursday's high at 1.0752 as near-term bull momentum clearly wanes, and a retest of Thursday's low at 1.0673 is on the cards. However, pivotal support at 1.0648 should manage to attract support and provide a cushion to limit corrective weakness. A fresh attack on 1.0752 cannot be ruled out though, which protects the Mar. 5 lower high at 1.0810.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0626 GMT	0.8973	123.51	1.4295	0.9117
3 Day Trend	Bullish	Range	Bearish	Range
Weekly Trend	Range	Range	Bearish	Bearish
200 day ma	0.8872	129.41	1.4913	0.8734
3rd Resistance	0.9044	124.26	1.4409	0.9179
2nd Resistance	0.9019	123.90	1.4374	0.9140
1st Resistance	0.8993	123.64	1.4308	0.9120
Pivot*	0.8946	123.13	1.4271	0.9094
1st Support	0.8935	122.98	1.4253	0.9066
2nd Support	0.8886	122.47	1.4232	0.9031
3rd Support	0.8845	122.27	1.4145	0.8980

Intraday EUR/GBP: Thursday's strong recovery off 0.8886 set a bear trap, and further bull pressure is expected to test resistance at 0.8993. 0.8886 represents a 50% retracement of the dominant 0.8656/0.9148 advance, and a break through 0.8993 would create scope for further gains to test the week's high at 0.9044. Corrective dips will attract support while above 0.8835 to protect the 0.8886 low.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Resistance emerged at 123.90 to stall the recovery off this week's low at 121.05, and consolidation is set to extend below 122.98. This would expose the 122.27/122.47 support area, which should attract sufficient support in order to limit the immediate downside threat. Above 123.64 would question the corrective bear threat and bring the focus back on the 123.90 high.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Looks to build on wednesday's low at 1.4232 as resistance at 1.4308 is back under bull pressure. A sustained break through there would provide respite from the dominant bear trend, although resistance at the 1.4376 lower high is likely to cap corrective strength. A break back below 1.4253 would dash recovery and expose the 1.4232 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Become rangebound near-term after staging a recovery off Friday's marginal low at 0.9066, and there is scope for further gains towards the 0.9140 lower high. However, this level has become pivotal, and therefore is likely to attract renewed bear pressure. A return to the week's low at 0.9066 would threaten further weakness towards the 0.9031 projected target.

Weekly chart AUD/USD trend: Bearish.

* The pivot is the sum of the high, low and close divided by 3.

For more technical analysis see: Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"