

## 2010-04-16\_European Forex Technicals

### European Forex Technicals: Sterling To Test Support

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A DOW JONES NEWSWIRE COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0549 GMT	1.3542	92.77	1.5435	1.0586
3 Day Trend	Bearish	Bearish	Range	Bullish
Weekly Trend	Range	Bullish	Bullish	Bullish
200 day ma	1.4023	91.97	1.5824	1.0588
3rd Resistance	1.3650	93.47	1.5524	1.0655
2nd Resistance	1.3586	93.25	1.5510	1.0626
1st Resistance	1.3559	93.15	1.5472	1.0612
Pivot*	1.3587	93.14	1.5469	1.0561
1st Support	1.3520	92.57	1.5385	1.0557
2nd Support	1.3500	92.24	1.5376	1.0503
3rd Support	1.3439	92.00	1.5337	1.0435

Intraday EUR/USD: Thursday's weakness extends the setback off Monday's high at 1.3692, and pressure is building on the 1.3500/20 upside gap. Failure to keep this gap intact would prompt a deeper setback towards congested downside targets at 1.3439 before the likelihood of attracting support. Keeping 1.3500 intact would lift the tone and open 1.3586, and above there would suggest a return to the 1.3679 lower high.

Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Extends the setback off Wednesday's high at 93.73, and the week's low at 92.57 is under bear pressure. A sustained break below there is the threat, which would confirm 93.73 as a lower high and prompt sharper weakness towards the 92.00 area. Keeping 92.57 intact is required to defer the bearish outlook, although upside looks limited to the 93.25 area.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Undergoes consolidation off Thursday's 7-week high at 1.5524, but corrective weakness is limited to the 1.5376 higher low. While above 1.5376, short-term bulls will look to renew pressure on the 1.5510/24 highs. However, extended lateral consolidation between 1.5524 and 1.5376 is a risk. Only a sustained break below 1.5376 would concern bulls and expose the week's low at 1.5337.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Stages a recovery off Wednesday's low at 1.0503 as Thursday's high at 1.0612 is under renewed pressure, and a break through there would threaten to close the 1.0655/1.0626 downside gap. However, 1.0655 should limit the scope for gains during this Friday's session. Only a reversal below 1.0503 would put near-term bears back in control, exposing the Apr. 1 reaction low at 1.0435.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0604 GMT	0.8778	125.30	1.4336	0.9306
3 Day Trend	Bearish	Bearish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	0.8868	128.93	1.4831	0.8806
3rd Resistance	0.8864	126.69	1.4374	0.9381
2nd Resistance	0.8830	126.40	1.4366	0.9364
1st Resistance	0.8792	125.78	1.4350	0.9345
Pivot*	0.8778	126.59	1.4346	0.9333
1st Support	0.8750	124.50	1.4327	0.9285
2nd Support	0.8707	123.70	1.4315	0.9243
3rd Support	0.8656	123.43	1.4265	0.9226

Intraday EUR/GBP: Stages a corrective recovery off Thursday's wide-ranging downday low at 0.8750, and the intraday lower high at 0.8792 is being challenged. However, corrective gains are limited to the 0.8830 area. Bears still have near-term control, and a break below 0.8750 would prompt further weakness towards the Apr. 9 reaction low at 0.8707.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Sharply extends the setback off Wednesday's high at 127.69 to force a break below 125.70, and the threat is for further weakness towards downside targets at 124.50. Concerted weakness would extend the setback towards the key 123.43/70 support levels. Regaining ground above 125.78 would provide temporary respite, although corrective upside is limited to the 126.40/69 lower highs.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Continues to drift lower off Thursday's high at 1.4366, and Tuesday's low at 1.4327 is set for renewed pressure. A break through there would complete a descending triangle pattern, and prompt further weakness towards 1.4315 and the 1.4265 area. Only a break above 1.4350 would provide respite, opening 1.4366.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Consolidates beneath Thursday's high at 0.9364, and is set for further corrective weakness below 0.9285 towards the Tuesday's low at 0.9226. However, a bullish continuation pennant is being formed, and weakness is limited to the 0.9226 area. Regaining ground above the 0.9345 intraday lower high would prompt renewed bull pressure on the 0.9364 high.

Weekly chart AUD/USD trend: Bullish.

\* 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, N/DJTA; and Reuters key word search "INSI-DJN"

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