

2010-04-15_European Forex Technicals - Overlap Report

European Forex Technicals: Sterling To Probe Higher

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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 0534 GMT	1.3640	93.36	1.5517	1.0521
3 Day Trend	Range	Bullish	Bullish	Bearish
Weekly Trend	Bearish	Bullish	Bullish	Bullish
200 day ma	1.4027	91.96	1.5828	1.0588
3rd Resistance	1.3819	93.98	1.5650	1.0617
2nd Resistance	1.3692	93.73	1.5573	1.0603
1st Resistance	1.3679	93.53	1.5537	1.0561
Pivot*	1.3643	93.26	1.5444	1.0528
1st Support	1.3595	93.00	1.5437	1.0500
2nd Support	1.3558	92.82	1.5376	1.0435
3rd Support	1.3545	92.57	1.5337	1.0407

Intraday EUR/USD: Tuesday's rally off 1.3545 remains beneath the week's high at 1.3692, and a lateral consolidation pattern is taking place which suggests more drifting between those two levels. Should a break above 1.3679 be achieved, the skew would favour more upside pressure on 1.3692, and create room for congested resistance at 1.3819. Loss of the 1.3595 higher low would prompt corrective weakness towards 1.3545.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Stages a good recovery off Wednesday's low at 92.82 to protect Tuesday's bear trap low at 92.57, and near-term bulls are expected to renew pressure on Wednesday's high at 93.73. A break through there would open 93.98, and the Apr. 7 lower high at 94.27 lies above there. A break below 93.00 is required to re-expose the 92.82 low.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Extends the recovery off Tuesday's low at 1.5337 to force a break into fresh 7-week highs above 1.5484, and the short-term bull trend is set to continue towards 1.5537 and 1.5573. However, there is scope for an upside target at 1.5650, projected off the key Apr. 6 higher low at 1.5132. Corrective dips will attract support at 1.5437 and 1.5376.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: Extends the downtrend off the Apr. 8 high at 1.0786 following the push below 1.0532, and the ability to keep a wide downside gap at 1.0655 intact on the daily chart promotes further weakness towards the Apr. 1 reaction low at 1.0435. Minor support in the 1.0500 area stands in the way of meeting this downside objective. Regaining ground above 1.0561 is required to provide temporary respite, but corrective upside looks limited while below resistance at 1.0655.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0555 GMT	0.8790	127.25	1.4346	0.9345
3 Day Trend	Bullish	Bullish	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	0.8869	128.96	1.4836	0.8801
3rd Resistance	0.8864	128.95	1.4387	0.9404
2nd Resistance	0.8830	127.95	1.4374	0.9381
1st Resistance	0.8812	127.69	1.4362	0.9364
Pivot*	0.8833	127.26	1.4363	0.9329
1st Support	0.8782	126.92	1.4340	0.9326
2nd Support	0.8773	126.41	1.4327	0.9289
3rd Support	0.8738	125.95	1.4315	0.9226

Intraday EUR/GBP: Wednesday's cap at 0.8864 has prompted consolidation of the strong rally off 0.8707, and the floor of an upside gap at 0.8782 is under bear pressure. This area also marks 50% retracement, and with projected support lying at 0.8773, this area should attract some support. However, to lift the tone, a break above the lower high at 0.8830 is required. Failure to hold 0.8773 would question the validity of the 0.8707 rally, exposing 0.8738 and 0.8707.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Tuesday's recovery off 125.70 probes above 127.46, and Wednesday's high at 127.69 is likely to come under renewed bull pressure. This would unveil the Apr. 2 reaction high at 127.95, and an upside target lies at 128.95. There is risk of consolidation to 126.92 and 126.41 beforehand, but dips should attract support while above these levels.

Weekly chart EUR/JPY trend: Bullish.

Intraday EUR/CHF: Remains above Tuesday's low at 1.4327, but Wednesday's rejection at 1.4387 suggests the 1.4327 low is set for a retest. Loss of 1.4340 would leave 1.4327 vulnerable, and a break through there would upgrade the setback off Monday's reaction high at 1.4466, creating downside scope for the 1.4250 area. Regaining ground above 1.4362 is required to lift the tone and open 1.4387.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Extends the recovery off Tuesday's low at 0.9226 to validate the recent break of a 5-month bear trendline, and bulls are looking to put pressure on Monday's high at 0.9381. Above there would prompt a retest of the 2009 high at 0.9404, set in November, and a minor upside projection target at 0.9429. Only below 0.9289 would question the bullish outlook.

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 Newsires, N/DJTA; Bloomberg, N/DJTA; and Reuters key word search "INSI-DJN"

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