

2010-04-20\_European Forex Technicals - Overlap Report

European Forex Technicals: USD To Regain Initiative Vs JPY

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0502 GMT	1.3481	92.65	1.5327	1.0637
3 Day Trend	Bearish	Bullish	Bearish	Range
Weekly Trend	Range	Bullish	Bearish	Range
200 day ma	1.4012	91.98	1.5815	1.0589
3rd Resistance	1.3586	93.15	1.5396	1.0691
2nd Resistance	1.3555	92.88	1.5359	1.0665
1st Resistance	1.3521	92.76	1.5343	1.0659
Pivot*	1.3468	92.16	1.5292	1.0644
1st Support	1.3445	92.12	1.5262	1.0624
2nd Support	1.3416	91.86	1.5194	1.0612
3rd Support	1.3366	91.60	1.5132	1.0597

Intraday EUR/USD: Stages a good recovery off Monday's low at 1.3416 to leave a bull hammer on the daily chart, and further retracement of the decline off 1.3692 is expected to test resistance in the 1.3521 area. This represents 38.2% retracement, and a break through there is required to improve the near-term outlook and open the 1.3586 lower high. Below 1.3445 would suggest a retest of the 1.3416 low.

Weekly chart EUR/USD trend: Range.

Intraday USD/JPY: Extends the strong recovery off Monday's low at 91.60 to put pressure on projected resistance at 92.76. A break through there would leave 91.60 as a near-term bear failure, and prompt further strength towards 92.88 and the 93.15 lower high. Failure to breach 92.76, combined with a break below 92.12 would bring the focus back onto the 91.60 low.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Stages a recovery off Monday's low at 1.5194 to leave a bull hammer and correct the setback off the Apr. 15 reaction high at 1.5524. However, with resistance looming at 1.5359 and 1.5396, bears are likely to cap gains at these levels, before prompting renewed pressure on the 1.5262 higher low. Below there would confirm a near-term bull failure, and bring the focus sharply back onto the 1.5194 low. Only a sustained break above 1.5396 would provide a near-term boost.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Leaves a significant doji at the peak of a short-term uptrend as near-term bulls pause for breath, and a period of lateral consolidation between 1.0612 and Monday's high at 1.0691 is likely. Fresh session highs above 1.0645 Tuesday is extending the rally off 1.0624 towards congested resistance around 1.0665. Only the loss of 1.0612 would suggest the corrective setback requires a deeper retracement of the advance off 1.0503.

Weekly chart USD/CHF trend: Range.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0533 GMT	0.8798	124.72	1.4338	0.9277
3 Day Trend	Range	Bearish	Range	Bullish
Weekly Trend	Range	Bearish	Bearish	Bearish
200 day ma	0.8867	128.84	1.4821	0.8815
3rd Resistance	0.8864	126.10	1.4387	0.9381
2nd Resistance	0.8844	125.42	1.4359	0.9331
1st Resistance	0.8817	125.14	1.4347	0.9300
Pivot*	0.8810	124.16	1.4334	0.9215
1st Support	0.8790	123.94	1.4327	0.9225
2nd Support	0.8766	123.35	1.4305	0.9190
3rd Support	0.8747	123.15	1.4268	0.9160

Intraday EUR/GBP: Monday's sharp setback off 0.8844 exceeds 50% retracement of the recovery off 0.8747, and the dominant threat is for further weakness towards 0.8770 and the 0.8766 downside target. This area is designated to protect last Friday's recovery low at 0.8747. Regaining ground above the 0.8817 lower high is required to improve the near-term outlook and open the 0.8844/64 highs.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Set a bear trap Monday following the recovery off the marginal low at 123.15, and the 50% retracement level of the setback off 127.69, at 125.42 is under threat. However, only a sustained break through there would improve near-term prospects for the euro, and open the 126.10/126.69 lower highs. Loss of 123.94 is required to suggest a return to the 123.15 low.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Monday's recovery off 1.4305 left a bullish outside day, but a break above 1.4359 is required to further lift the tone and open the key 1.4387 lower high. Only above there on a sustained basis would signal a positive mood change by confirming 1.4305 as a bear failure. However, while the dominant underlying trend is bearish, there is always the threat of a break below 1.4327 to prompt a return to the 1.4305 low.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Stages a strong recovery off Monday's low at 0.9160, but is running into resistance near the 0.9300 level as the negative higher high, lower close on the weekly chart dominates. A break through 0.9300 would open the 0.9331 lower high, but only above there would bring the focus back onto last week's 0.9381 reaction high. Corrective dips will attract support while above 0.9225, and only below 0.9190 would re-expose the 0.9160 low.

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

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