

2010-04-22_European Forex Technicals - Overlap Report

European Forex Technicals: EUR/GBP Closing In On 2010 Low
22 Apr 2010, 08:34

By Francis Bray

A DOW JONES NEWSWIRE COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0526 GMT	1.3394	92.85	1.5427	1.0698
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.4000	92.00	1.5806	1.0591
3rd Resistance	1.3489	93.45	1.5524	1.0786
2nd Resistance	1.3450	93.23	1.5509	1.0763
1st Resistance	1.3410	93.02	1.5475	1.0725
Pivot*	1.3398	93.19	1.5395	1.0696
1st Support	1.3358	92.70	1.5340	1.0659
2nd Support	1.3341	92.50	1.5293	1.0635
3rd Support	1.3282	92.25	1.5262	1.0603

Intraday EUR/USD: Stages a corrective recovery off Wednesday's low at 1.3358, but bears have control of short-term direction, and the 1.3358 low is set for renewed pressure. This low represents 76.4% of the 1.3267/1.3692 move, but on its own it is not enough to prevent further weakness towards the 1.3282 higher low. The 2010 low at 1.3267 lies just below there. Corrective gains need to force a break above 1.3450 to have any hope of re-opening the 1.3523 lower high.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Wednesday's doji prompts a corrective setback off 93.45 to consolidate the solid advance off 91.60, and the 92.70 downside target is being tested. However, corrective dips are likely to be contained above the 92.50 level. To regain the initiative, bulls need to push above 93.23 in order to re-open the 93.45 high.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Builds on the recovery off Monday's low at 1.5194 following Wednesday's breach of 1.5430, and the stage is set for further upside probing towards the 1.5475 lower high. Above there would re-open the April 15 reaction high at 1.5524, and scope has been created for an equality upside target at 1.5570. Only below intraday pivotal support around 1.5340 would concern bulls, and expose the 1.5293 higher low.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Remains strong following the push above 1.0691, and while Tuesday's low at 1.0603 remains in place, the dominant threat is for renewed bull pressure on Wednesday's high at 1.0725. A break through there would prompt further gains towards the April 8 high at 1.0786, and an equality target projected off 1.0603 lies at 1.0791. Only below 1.0659 would defer the bullish outlook, with weakness looking limited to the 1.0635 area.

Weekly chart USD/CHF trend: Bullish.

2010-04-22_European Forex Technicals - Overlap Report

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0551 GMT	0.8676	124.45	1.4327	0.9276
3 Day Trend	Bearish	Bearish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Range
200 day ma	0.8863	128.77	1.4811	0.8824
3rd Resistance	0.8774	125.26	1.4379	0.9364
2nd Resistance	0.8750	125.12	1.4362	0.9336
1st Resistance	0.8705	124.63	1.4345	0.9295
Pivot*	0.8707	124.87	1.4328	0.9288
1st Support	0.8656	124.05	1.4325	0.9247
2nd Support	0.8603	123.91	1.4305	0.9220
3rd Support	0.8591	123.15	1.4291	0.9178

Intraday EUR/GBP: Sustains the dominant bear tone to force a break into fresh 8-day lows below 0.8707, and the medium-term bull support line connecting lows at 0.8401 and 0.8603 has just been breached at 0.8680. Further weakness is set for the 0.8656 higher low from Feb. 12, which will look to protect the 2010 low at 0.8603, set late January. Above 0.8705 would provide temporary respite, but only regaining ground above 0.8750 would lift the tone.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Extends the setback off Tuesday's reaction high at 125.64 to pierce 124.28, and the dominant threat is for further weakness to 123.91 and the week's low at 123.15. A lower high has been confirmed at 125.12, and has created scope for a 1.618 extension target 123.08, which is likely to contain the bear threat. Resistance lies at 124.63, to protect the key 125.12 level.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Wednesday's spike to a fresh low for April at 1.4291 was swiftly rejected, but the dominant bear trend remains intact as renewed weakness is set to expose 1.4305. Tuesday's high at 1.4362 has been confirmed as a bull failure, and below 1.4305 would expose the 1.4291 low. Regaining ground above 1.4345 is required to provide relief and suggest a return to the 1.4362 high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Wednesday's higher high, lower close sparks a retracement of the week's rally off 0.9160 as bears look to protect the April 12 reaction high at 0.9381, and support at 0.9247 is under threat. A break below there would worsen the near-term outlook and prompt sharper weakness towards 0.9220 and the 0.9178 higher low. The 0.9295 area has become intraday pivotal resistance, and a break through there would re-open the 0.9336 high.

Weekly chart AUD/USD trend: Range.

* 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"

April 22, 2010 02:34 ET (06:34 GMT)