

2010-05-11_European Forex Technicals

European Forex Technicals: EUR Gains Unsustainable

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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 0458 GMT	1.2731	92.68	1.4813	1.1105
3 Day Trend	Bearish	Range	Bearish	Bullish
Weekly Trend	Bearish	Bullish	Bearish	Bullish
200 day ma	1.3887	92.18	1.5728	1.0632
3rd Resistance	1.2901	93.99	1.5052	1.1244
2nd Resistance	1.2880	93.54	1.4958	1.1188
1st Resistance	1.2803	93.26	1.4887	1.1126
Pivot*	1.2881	92.83	1.4895	1.1046
1st Support	1.2700	92.44	1.4764	1.1076
2nd Support	1.2609	91.64	1.4653	1.1045
3rd Support	1.2510	91.10	1.4477	1.1000

Intraday EUR/USD: Extends the sharp reversal off Monday's high at 1.3095, and while the 1.2803 lower high remains intact, renewed bear pressure is likely on the 1.2700 level. Failure to meet an upside target at 1.3148 is behind this setback, and a break through 1.2700 would prompt further weakness towards the 1.2609 higher low. Regaining ground above 1.2803 would provide temporary respite, but only above intraday pivotal resistance at 1.2880 would lift the tone.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Consolidates beneath Monday's high at 93.54 as the 92.44 downside target comes into view, and a break below there would increase bear momentum towards the 91.64 higher low. However, while projected support at 91.10 holds, the dominant threat is for renewed bull pressure on the 93.54 high, opening the 93.99 lower high on a break.

Weekly chart USD/JPY trend: Bullish.

Intraday GBP/USD: Monday's high at 1.5052 fell short of expectations, and retracement of the recovery off last Friday's low at 1.4477 is now underway. The 50% level at 1.4764 is the immediate target, but the dominant threat is for a deeper setback towards the 1.4653 intraday higher low. Regaining ground above 1.4887 is required to provide respite, opening 1.4958.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Stages a strong recovery off Monday's low at 1.0924 to regain the 1.1000 level, and resistance at 1.1126 is set for renewed bull pressure. With corrective weakness limited to the 1.1045 area, the dominant threat is for further strength above 1.1126 to the 1.1188 lower high, which protects the May 6 reaction high at 1.1244. Only a sustained break below 1.1045 would concern bulls and expose the 1.1000 area.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0521 GMT	0.8591	118.12	1.4130	0.8986
3 Day Trend	Range	Bearish	Bearish	Bullish
Weekly Trend	Range	Bearish	Bearish	Bearish
200 day ma	0.8834	127.96	1.4747	0.8864
3rd Resistance	0.8807	120.98	1.4243	0.9115
2nd Resistance	0.8748	120.21	1.4208	0.9077
1st Resistance	0.8646	119.40	1.4186	0.9037
Pivot*	0.8636	119.78	1.4221	0.9010
1st Support	0.8553	117.78	1.4101	0.8933
2nd Support	0.8530	115.79	1.4053	0.8888
3rd Support	0.8471	114.59	1.4005	0.8803

Intraday EUR/GBP: Continues to consolidate the strong 0.8429/0.8807 advance, and bulls will be keen to limit setbacks to the 0.8530 area. Monday's weakness off 0.8748 has brought 0.8530 back into view, and a break below there would suggest a return to the 0.8445 higher low. Above 0.8646 would provide a boost for the near-term, but only above 0.8748 would re-open the May 7 reaction high at 0.8807.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Monday's action left a bearish doji, and support at 117.78 is under fresh bear pressure. A break below there would extend the decline off Monday's high at 122.29, and the failure to meet the 122.90 upside target highlights the dominant underlying bear presence should bring the focus onto the 114.59 lower high. A reversal above 119.40 is required to provide temporary relief, but corrective upside is limited at this stage.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Extends the setback off Monday's high at 1.4334 to retrace the recovery off the May 6 all-time low at 1.4005, and the downside target at 1.4101 is the immediate focus. Below there lies the 1.4053 lower high, which protects the 1.4005 reaction low. Regaining ground above 1.4186 is required to question the bearish outlook and re-open the 1.4243 lower high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: An inside day is being created as the market undergoes consolidation of the 0.8725/0.9077 advance. However, there may be scope for corrective weakness towards support at 0.8933, but bulls will be keen to keep this level intact in order to renew pressure on the 0.9037 lower high. A break through there is required to lift the tone and open Monday's high at 0.9077. Only below the 0.8888 downside projected target would concern bulls.

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

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