

European Forex Technicals: USD Gathering Strength

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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 0500 GMT	1.2177	92.74	1.4634	1.1545
3 Day Trend	Bearish	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Range	Bullish
200 day ma	1.3634	92.06	1.5530	1.0770
3rd Resistance	1.2270	93.65	1.4771	1.1631
2nd Resistance	1.2240	92.97	1.4743	1.1603
1st Resistance	1.2217	92.87	1.4657	1.1574
Pivot*	1.2214	92.52	1.4648	1.1546
1st Support	1.2152	92.52	1.4592	1.1519
2nd Support	1.2110	92.23	1.4554	1.1498
3rd Support	1.1983	92.04	1.4525	1.1470

Intraday EUR/USD: Thursday's weakness off 1.2327 left a bearish outside day, and the dominant threat is for renewed bear pressure on Tuesday's 2010 low at 1.2110. The series of lower highs continues to indicate where the major trend direction lies, and a break below 1.2110 would pave the way for further weakness towards the psychological 1.2000 level. Projected downside targets lie at 1.1983 and 1.1935. Resistance at 1.2240 is expected to limit upside scope, which is protected by 1.2217.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Continues the strong push higher to extend the recovery off Tuesday's 90.54 higher low, and is closing in on the 92.97 lower high. However, there is scope for the May 13 lower high at 93.65, and congested upside projection targets hugging the 94.00 level. Bearish divergences on the 60-minute chart suggest there may be risk of consolidation, but only below 92.23 would concern bulls at this stage.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Thursday's inside day consolidates the recent strength to 1.4771, but support at 1.4554 has been strengthened by key long-term moving averages on the 60-minute chart. A break above 1.4657 would keep the action within a bull pennant, creating room for a return to the 1.4743/71 highs. However, only a fresh wave of bull pressure would manage to force a break above 1.4805. Loss of 1.4554 would extend corrective weakness towards 1.4525, but only below there would prompt a return to the 1.4434 higher low.

Weekly chart GBP/USD trend: Range.

Intraday USD/CHF: Thursday's bull hammer prompts a recovery off 1.1498 to protect the week's low at 1.1470, and renewed bull pressure is expected to tackle resistance at 1.1574. Once above there, Tuesday's high at 1.1603 would become the focus, with a wave equality target at 1.1631 coinciding with 61.8% retracement of the dominant 1.1730/1.1470 setback. Only below 1.1498 would negate USD recovery hopes, exposing 1.1470 and creating downside scope for 1.1405.

Weekly chart USD/CHF trend: Bullish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0535 GMT	0.8327	112.73	1.4059	0.8439
3 Day Trend	Bearish	Bearish	Bearish	Range
Weekly Trend	Bearish	Range	Bearish	Bearish
200 day ma	0.8779	125.50	1.4651	0.8805
3rd Resistance	0.8450	114.61	1.4133	0.8550
2nd Resistance	0.8404	114.16	1.4120	0.8522
1st Resistance	0.8378	113.40	1.4084	0.8458
Pivot*	0.8340	113.02	1.4100	0.8445
1st Support	0.8281	112.13	1.4050	0.8407
2nd Support	0.8198	110.99	1.3997	0.8366
3rd Support	0.8170	110.26	1.3940	0.8332

Intraday EUR/GBP: Suffers a setback off 0.8378 as the focus switches back to Tuesday's bull hammer low at 0.8281. The dominant bear trend has not been damaged by recent corrective strength, and a break below 0.8281 would extend the trend towards a wave equality target at 0.8198, projected off the May 28 lower high at 0.8546. A break above 0.8378 and, more importantly, 0.8404 would lift the tone and prompt a recovery up to the 0.8450 area.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Suffers a setback off 114.16 Thursday to leave a bearish doji on the daily chart, and despite the subsequent recovery off 112.13, the dominant threat is for renewed bear pressure on 112.13. A break below there would prompt further weakness towards the 110.99, and projected support at 110.26. Regaining ground above 113.40 would question the bear threat, but the 114.16 high is expected to remain intact for Friday's session.

Weekly chart EUR/JPY trend: Range.

Intraday EUR/CHF: Suffers a significant setback off 1.4177 Thursday to negate a double-bottom pattern on the 60-minute chart, and the threat is for further weakness below 1.4050 towards the all-time low at 1.3997, set in mid-May. This level should temporarily halt the decline, but a break below there is expected in the coming sessions. Only regaining ground above 1.4133 would question the bearish outlook.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Resistance emerged at 0.8522 Thursday to protect the May 28 reaction high at 0.8550, and while 0.8458 caps, the risk is for further bear pressure on support at 0.8366. Below there would expose 0.8332 and 0.8299, but Tuesday's low at 0.8278 is expected to remain intact. Above 0.8458 would create upside scope for 0.8522.

Weekly chart AUD/USD trend: Bearish.

* The pivot is the sum of the high, low and close divided by 3.

Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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