

2010-06-09_European Forex Technicals

European Forex Technicals: EUR/CHF Bear Trend To Extend

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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 0453 GMT | 1.1936 | 91.42 | 1.4429 | 1.1540 |
| 3 Day Trend | Bearish | Bearish | Bearish | Range |
| Weekly Trend | Bearish | Range | Bearish | Bullish |
| 200 day ma | 1.3584 | 92.05 | 1.5499 | 1.0794 |
| 3rd Resistance | 1.2049 | 92.08 | 1.4563 | 1.1642 |
| 2nd Resistance | 1.2010 | 91.95 | 1.4525 | 1.1590 |
| 1st Resistance | 1.1978 | 91.62 | 1.4473 | 1.1552 |
| Pivot* | 1.1961 | 91.41 | 1.4448 | 1.1552 |
| 1st Support | 1.1901 | 91.25 | 1.4349 | 1.1485 |
| 2nd Support | 1.1876 | 91.06 | 1.4260 | 1.1426 |
| 3rd Support | 1.1794 | 90.84 | 1.4229 | 1.1369 |

Intraday EUR/USD: Builds on Monday's doji low at 1.1876 to create a higher low, but in an unconvincing manner as the recovery is likely to remain capped beneath 1.2049. While 1.1901 remains intact, there is scope for renewed pressure on Tuesday's high at 1.2010, but unless bull momentum picks up sharply, this recovery will be short-lived. A break below 1.1901 would put bears back in control of the near-term, exposing the 1.1876 low, and threatening to extend the dominant bear trend into fresh four-year lows towards 1.1794.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Stages a recovery off Tuesday's low at 90.84, and is delicately poised close to resistance at 91.62. A break above there would conclude an inverse head-and-shoulders base on the 60-minute chart, opening key projected resistance at 91.95 and Monday's high at 92.08. Failure to break above 91.62, combined with a break below 91.25 would leave the 90.84 low vulnerable to a retest.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: Tuesday's recovery off 1.4349 is making a serious attempt at containing the setback off the June 2 reaction high at 1.4771, and a break above resistance at 1.4473 would open key projected resistance at 1.4525. To lift the tone, a break above 1.4525 is required, opening Monday's high at 1.4563 and potential for 1.4680. Loss of 1.4349 would maintain the dominant bear tone and bring the focus onto last month's 2010 low at 1.4229.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Suffers a sharp setback Tuesday to extend the downwave off Monday's high at 1.1673, and the dominant threat is for renewed bear pressure on support at 1.1485. The large consolidation phase off the June 1 reaction high at 1.1730 is still ongoing, and a break below 1.1485 would expose the consolidation low at 1.1426. A push above 1.1552 would prompt a recovery towards 1.1590, but only above 1.1642 would re-open the 1.1673 high.

Weekly chart USD/CHF trend: Bullish.

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| Forex spot: | EUR/GBP | EUR/JPY | EUR/CHF | AUD/USD |
|----------------|---------|---------|---------|---------|
| Spot 0525 GMT | 0.8283 | 109.21 | 1.3780 | 0.8219 |
| 3 Day Trend | Bearish | Bearish | Bearish | Range |
| Weekly Trend | Bearish | Bearish | Bearish | Bearish |
| 200 day ma | 0.8764 | 125.02 | 1.4627 | 0.8787 |
| 3rd Resistance | 0.8429 | 110.33 | 1.3900 | 0.8366 |
| 2nd Resistance | 0.8378 | 110.06 | 1.3850 | 0.8337 |
| 1st Resistance | 0.8333 | 109.68 | 1.3804 | 0.8286 |
| Pivot* | 0.8281 | 109.30 | 1.3818 | 0.8219 |
| 1st Support | 0.8233 | 108.35 | 1.3746 | 0.8200 |
| 2nd Support | 0.8212 | 108.06 | 1.3699 | 0.8135 |
| 3rd Support | 0.8198 | 106.81 | 1.3533 | 0.8093 |

Intraday EUR/GBP: Tuesday's setback off 0.8333 marks the peak of a corrective rally off Monday's low at 0.8212, and more bear pressure is expected to head towards the 0.8233 higher low. A break below there would bring the focus back onto the 0.8212 low, and a large support cluster lies just below there, between 0.8172 and 0.8198. A break above 0.8333 is required to question the bearish outlook, opening key resistance in the 0.8378 area.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Tuesday's inside day consolidates the sharp 114.16/108.06 downwave, and although there is scope for limited strength back to Monday's high at 110.33, the dominant threat is for renewed bear pressure on support at 108.35. Below there would expose 108.06, and threaten further weakness into fresh long-term lows towards 106.81.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: The bear trend remains entrenched as another all-time low was set at 1.3746 Tuesday, and despite suspected SNB intervention to 1.3900, the 1.3746 is likely to come under fresh pressure. 1.3699 would become the downside target on a break below 1.3746, but scope exists for the 1.618 extension target at 1.3533. Above 1.3804 would provide temporary respite, but corrective gains are limited to the 1.3850 area.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Corrects Tuesday's bullish outside day following the setback off 0.8286, and is testing support at 0.8200. There is still a downside threat weighing on this pair, and a sustained break below 0.8200 would expose 0.8135, threatening to retest Tuesday's low at 0.8093. To lift the tone, a break above 0.8286 is required, opening 0.8337.

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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