

European Forex Technicals: More Weakness In Store For USD

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

Spot 0549 GMT	1.2335	91.48	1.4817	1.1299
3 Day Trend	Bullish	Range	Bullish	Bearish
Weekly Trend	Bearish	Range	Bullish	Bearish
200 day ma	1.3514	92.02	1.5458	1.0826
3rd Resistance	1.2454	92.12	1.4915	1.1447
2nd Resistance	1.2406	91.96	1.4891	1.1400
1st Resistance	1.2350	91.70	1.4833	1.1339
Pivot*	1.2283	91.41	1.4776	1.1368
1st Support	1.2244	91.40	1.4764	1.1268
2nd Support	1.2210	91.18	1.4717	1.1215
3rd Support	1.2150	91.08	1.4684	1.1181

Intraday EUR/USD: Keeping support at 1.2150 intact Tuesday has prompted a fresh wave of bull pressure, which is set to extend above 1.2350 towards key projected resistance at 1.2406. A break above there would upgrade the recovery off last week's four-year low at 1.1876, opening the May 28 lower high at 1.2454 and leaving 1.1876 as a potential bear failure. Support lies at 1.2244, and only below 1.2210 would suggest a return to 1.2150 is on the cards.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Tuesday's recovery off 91.08 is retracing the setback off Monday's reaction high at 92.12, but is facing a cap at resistance near 91.70. Intraday pivotal support at 91.40 is under threat, and a break below there would bring the focus back to the downside, exposing 91.18 and leaving the 91.08 low vulnerable. A break above 91.70 is required to upgrade the recovery, opening 91.96.

Weekly chart USD/JPY trend: Range.

Intraday GBP/USD: Maintains the strong short-term uptrend following the break above 1.4771, and the dominant threat is for further strength towards wave equality at 1.4891. However, there is scope for further strength to 1.4915 and 1.4968, which will look to protect the psychologically-important 1.5000 level. Tuesday's low at 1.4684 is likely to limit corrective weakness, and only below 1.4584 would concern bulls.

Weekly chart GBP/USD trend: Bullish.

Intraday USD/CHF: The steady short-term downtrend extends following Tuesday's break below 1.1350, and is closing in the wave equality target at 1.1271. The May 18 reaction low at 1.1268 strengthens support in this area, and will look to protect the 1.618 downside extension target at 1.1181. Above 1.1339 would provide temporary respite, but upside scope should be limited to the 1.1400 area.

Weekly chart USD/CHF trend: Bearish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0551 GMT	0.8323	112.85	1.3938	0.8644
3 Day Trend	Range	Bullish	Bullish	Bullish
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	0.8741	124.34	1.4591	0.8773
3rd Resistance	0.8378	114.16	1.4092	0.8725
2nd Resistance	0.8359	113.39	1.4041	0.8691
1st Resistance	0.8335	113.07	1.3980	0.8666
Pivot*	0.8310	112.23	1.3976	0.8605
1st Support	0.8302	112.59	1.3906	0.8597
2nd Support	0.8282	112.18	1.3874	0.8565
3rd Support	0.8263	111.61	1.3850	0.8506

Intraday EUR/GBP: Stages a good recovery off Tuesday's low at 0.8263 to threaten a return to Monday's high at 0.8359. The 0.8263 level has become a near-term bear failure, and a break above 0.8359 is required to set this failure in stone, opening the June 2 lower high at 0.8378. Below 0.8302 would prompt a setback towards 0.8282, but the 0.8263 low looks secure for Wednesday's session.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Tuesday's strength off 110.87 left a bullish outside day to breach the 113.00 level, and further gains are likely to test the June 4 lower high at 113.37. This area also coincides with key projected resistance at 113.39, and dominant long-term bears will look to keep this area intact to keep the downtrend structure solid. Support lies at 112.18, and only below 111.61 would concern near-term bulls.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Tuesday's foray above 1.4000 proved to be short-lived as bears capped at 1.4041, and Wednesday's probe below 1.3912 suggests there is scope for more weakness towards Monday's low at 1.3874. Downside wave equality lies at 1.3850, and coincides with 61.8% retracement of the 1.3735/1.4041 bear market rally. Only regaining ground above 1.3980 would lift the tone and suggest a return to the 1.4041 high.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Another positive session for the AUD Tuesday leaves an upside gap at 0.8506 intact, and bull pressure on Monday's high at 0.8666 is likely. A break through there would open 0.8691 and former range lows at 0.8725, which is also the 50% retracement of the dominant 0.9381/0.8068 decline. The 0.8565/0.8597 congestion area will look to limit corrective weakness, protecting 0.8506.

Weekly chart AUD/USD trend: Bullish.

* 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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