

Mon, 02nd of Jun, 2008 12:39 am EST
WEEKLY TECHNICAL STRATEGIST

EURUSD: EUR Halts Its Three Weeks Recovery, Prints Bearish Engulfing Candle

EURUSD- EUR paused its third week of upside recovery tumbling off the 1.5818 high to a low of 1.5462 before closing the week at 1.5555 to form a bearish engulfing candle pattern. Although a mild recovery was seen on Friday, with both the daily studies and the weekly RSI pointing to the downside further weakness is likely towards its Mar 24'08 low/.50 Ret (1.4440-1.6018 high) at 1.5342/27 ahead of its May 08'08 low at 1.8285 and then the 1.5164 level, its .50 Ret (1.4309-1.6018 high). This view is consistent with its short term decline off the 1.6020 level and the formation of the mentioned bearish engulfing candle pattern on the weekly chart. Conversely, resistance cuts in at the 1.5710 level, its April 18'08 before the 1.5895/I 5912 area, its Mar 31'08/April 10'08 highs with a loss of there accelerating upside gains towards the 1.6020 area, its YTD high. On the whole, having halted its medium term uptrend at 1.6020 high, EUR now looks to resume its short term weakness.

Directional Bias:

Nearer Term -Bearish
Short Term -Bearish
Medium Term -Bullish

Performance in %:

Past Week: -1.35%
Past Month: -0.45%
Past Quarter: +8.03%
Year-To-Date: +6.64%

Weekly Range:

High -1.5818
Low -1.5462

Weekly Chart: EURUSD



GBPUSD: GBP Remains Confined To Its Weekly Falling Channel.

GBPUSD-Although recovery off the 1.9364 low entered its third week the past week, as long as the pair continues to trade within its weekly falling channel, risk remains to the downside implying that the said recovery is corrective. Downside targets are located at the 1.9727/19 zone, its Mar 05'08/April 01'08 lows and the 1.9598 level, its April 15'08 low with a break through there targeting its solid support at the 1.9360/35 area, its 2008 lows. Overbought condition on the daily chart and its medium term bearish structure remain suggestive of this view being playing out. Conversely, if GBP follows through on its Friday gains, its May 23'08 high standing at 1.9851 will be aimed at with an extension towards the 1.9965/2.0027 zone, its Feb 27'08/April 21 & 28'08 highs envisaged. Above there will keep focus on its Mar 27'08 high at 2.0191 and its Mar 14'08 high at 2.0398. All in all, while the pair still retains its recovery gains off the 1.9364 low, a clean break and hold above its weekly falling channel is required to open up further upside risks.

Directional Bias:

Nearer Term -Mixed

Short Term -Bullish

Medium Term -Bearish

Performance in %:

Past Week: +0.11%

Past Month: -0.22%

Past Quarter: -0.14 %

Year-To-Date: -0.16%

Weekly Range:

High -1.9847

Low -1.9674

Weekly Chart: GBPUSD



USDJPY: Looks To Trigger The Resumption Of Its Short Term Recovery.

USDJPY- Having failed and turned lower off the 105.70 level (May 2'08 high) followed with a subsequent failed retest on May 14'08, USDJPY traded sharply higher the past week challenging the mentioned high and closing at 105.51 on Friday. Decisively breaking and holding above the red horizontal line will set the stage for the resumption of the pair's recovery started at 95.75 towards its .382 Ret (124.15-95.75 decline) at 106.60 with an invalidation of there exposing the 108.61 level, marking its Feb 14'08 high ahead of .50 Ret at 109.95. Its weekly studies remain supportive of this view. However, failing to push through the 105.70/44 zone will suggest a turn lower targeting the 104.38 level, its May 22'08 followed by its May 12/22'08 lows at 102.58/73. Below there should see the pair aim at the 100.31, its April 14'08 low. On the whole, while the medium term outlook remains to the downside, a second month of upside gains displayed on the monthly chart and a challenge on the 105.70/44 zone seen the past week suggest that more strength is expected going forward.

Directional Bias:

Nearer Term -Bullish

Short Term -Bullish

Medium Term -Bearish

Performance in %:

Past Week: +2.06%

Past Month: +1.53%

Past Quarter: -10.69%

Year-To-Date: -5.58%

Weekly Range:

High -105.88

Low -103.13

Weekly Chart: AUDUSD



Please register and have the Weekly Technical Strategist Newsletter delivered to your in box each time it is produced.

Mohammed Isah
Technical Strategist
www.fxtechstrategy.com
m.isah@fxtechstrategy.com

This report is prepared solely for information and data purposes. Opinions, estimates and projections contained herein are those of FXTechstrategy.com own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed to be reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness and neither the information nor the forecast shall be taken as a representation for which FXTechstrategy.com incurs any responsibility. FXTstrategy.com does not accept any liability whatsoever for any loss arising from any use of this report or its contents. This report is not construed as an offer to sell or solicitation of any offer to buy any of the currencies referred to in this report.

