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DAILY TECHNICAL STRATEGIST

EURUSD: EUR's LT Rising Trendline Provides Strong Support, Turns The Pair Off.

EURUSD: EUR's failure at the 1.5945 level and its later collapse through its daily rising channel Tuesday yielded more downside weakness on Thursday testing and bouncing off its LT rising trendline to close at 1.5684 printing a doji candle. It was seen heading higher in early trading today but daily momentum indicators continue to point lower suggesting that its nearer term decline may not be over yet and that the bounce could be corrective. However, in order for more losses to be recorded the pair must break and close below its strong support at 1.5636 which is within the vicinity of its .50 Ret (1.5302-1.6037 rally) at 1.5647. Below there if seen should extend downside losses towards the 1.5610 level, its July 07'08 low and then the 1.5467 level, its Jun 23'08 low. Upside in case of the mentioned recovery should initially target the 1.5714 level, representing its daily 50 ema initially followed by the 1.5842 level, its Jun 09'08 high. The next two upside objectives are situated at the 1.5945 level, its July 22'08 high and the 1.6018/37 zone, its April 22'08/YTD highs. On the whole, while EUR remains weak on nearer term basis, holding above its LT rising trendline should create a fast recovery higher targeting its YTD high at 1.6037.

Support

1.5647/36
1.5610
1.5467

Comments

.50 Ret (1.5302-1.6037 rally)/LT rising trendline
July 07'08 low
Jun 23'08 low

Resistance

1.5714
1.5842
1.5947/45
1.6018

Comments

Daily 50 ema
Jun 09'08 high
July 11 & 22'08 highs
YTD high

Daily Chart: EURUSD



GBPUSD: Rising Channel Base/200 Ema Seen As Significant Support.

GBPUSD: While the 4 hourly falling trendline on the chart below needs to be taken out to signal further upside gains, GBP still remains biased to the upside as it continues to trade within its rising channel. Price activities on Thursday saw the pair selling off sharply to as low as 1.9815 before turning strongly higher in early morning trading today reversing almost all of those losses. Its July 02'08 high at 2.0004 followed with the 2.0075 level, its July 22'08 high will come in as the next upside targets with a break of the latter setting the stage for a move towards the 2.0155 high, its July 15'08 high before the 2.0191 level, its Mar 27'08 high. The 4 hourly and daily RSI continue to support this view. Support at the 1.9850/42 level, its May 23'08 high/daily 200 ema is to be aimed at on any weakness at the current price levels where a loss could create scope for further decline towards the 1.9800/1.9790 zone, its Jun 09 & 20'08 highs and latter the 1.9643, its July 07'08 low. In short, GBP continues to look for further upside gains while trading and maintaining within its daily rising channel.

Support	Comments
1.9850/42	May 23'08 high/Daily 200 ema
1.9800/1.9790	Jun 09 & 20'08 highs
1.9643	July 07'08 low

Resistance	Comments
2.0004	July 02'08 highs
2.0075	July 22'08 high
2.0155	July 15 high
2.0191	Mar 27'08

4Hourly Chart: GBPUSD



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