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WEEKLY TECHNICAL STRATEGIST

EURUSD: Range Trading To Downside Pressure Looks To Continue.

EURUSD- A failure at the 1.6038 level, its YTD high followed with a break below its daily rising channel has taken back the pair into its previous range between the 1.5844 and 1.5304 levels and opened up downside risk following a second week of consecutive losses. While this view remains valid and has now created a new range between the 1.6038 and 1.5285 levels, breaking decisively through either of the range points is required to establish meaningful directional moves. Immediate support is seen at its .50 Ret (1.5302-1.6037 rally) at 1.5647 and then the 1.5610 level, its July 07'08 low. The next critical support if a break of the latter occurs resides at the 1.5304/1.5285 zone, its May/June. Weekly RSI has turned lower suggesting downside pressure could be seen. On the other hand, although a halt in prices were seen on Thursday and Friday, a follow-through on those gains is needed to signal that a recovery of its decline off the 1.6038 high has begun exposing the 1.5842 level, its Jun 09'08 high ahead of the 1.5945 level, its July 22'08 high and ultimately the 1.6018/38 zone, its April 22'08/YTD highs. On the whole, weakness off the 1.6038 high remains in force nearer term but as long the 1.5304/1.5285 zone is holding returning back to its range top(1.6038) followed with a break higher is envisaged, a view consistent with its medium/long term outlook.

Directional Bias:

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

Performance in %:

Past Week: -0.86%
Past Month: +1.27%
Past Quarter: +0.01%
YTD :+7.66%

Weekly Range:

High -1.5945
Low -1.5628

Weekly Chart: EURUSD



GBPUSD: Recovery Off The 1.9410 Level Remains Valid While Rising Daily Channel Is Maintained..

GBPUSD-Recovery off the 1.9410 level, its Jun 13'08 high is likely to be maintained while GBP continues to hold above its broken weekly falling channel and trading within its daily rising channel. Although declines off its recent high at 2.0157 continued and tested the base of the mentioned daily rising channel on Friday, it later turned off that level though a negative weekly close was printed. The weekly stochastics remains supportive of this view, Its July 22'08 high at 2.0077 comes in as the next upside target before the 2.0157 level, its July 15'08 high. Breaking and closing above the latter is expected to pave the way for further upside gains towards the 2.0191 level, its Mar 27'08 high and subsequently its Mar 14'08 high at 2.0398. All in all, having held within its daily channel, GBP looks to head to the upside in line with its recovery started at the 1.9410 low.

Directional Bias:

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

Performance in %:

Past Week: -0.37%
Past Month: +0.53%
Past Quarter: +0.51 %
YTD : +29

Weekly Range:

High -2.0077
Low -1.9817

Weekly Chart: GBPUSD



USDJPY: Build Up On Upside Recovery Targets The 108.59 Level.

USDJPY- Our outlook for USDJPY pair remains bullish having followed through to the upside for a second week in a row after recovering from its July 16'08 low at 103.78. This price action remains supportive of its medium term recovery off the 95.75 level, its YTD low. With the decline off its Jun 16'08 at 108.59 almost reversed, USDJPY's upside risk is now seen towards the 108.59 level (resistance) with a break through there opening the door for additional higher prices towards its .50 Ret (124.15-95.75 decline) at 110.01 and probably higher. Both the daily and weekly RSI are positive and trending higher implying further strength. Downside targets are located at the 107.61 level, representing its daily 200 ema and the 105.70/87 zone, its May'08 high. Taking out the latter should push the pair lower aiming at the 104.70 level, its MT rising trendline and then its July 16'08 low at 103.78. On the whole, while its weekly rising trendline remains unbroken, USDJPY is biased to the upside with the 108.59 level coming in as its next resistance.

Directional Bias:

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

Performance in %:

Past Week: +0.34%
Past Month: +0.59%
YTD: +3.49%

Weekly Range:

High -108.00
Low -106.06

Weekly Chart: USDJPY



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