

European Forex Technicals: GBP/USD Poised To Push Higher

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0504 GMT	1.2502	90.18	1.4476	1.1538
3 Day Trend	Bearish	Bearish	Bullish	Range
Weekly Trend	Bearish	Bearish	Bearish	Bullish
200 day ma	1.3764	92.16	1.5625	1.0694
3rd Resistance	1.2728	91.27	1.4582	1.1685
2nd Resistance	1.2673	90.75	1.4562	1.1605
1st Resistance	1.2599	90.34	1.4519	1.1587
Pivot*	1.2566	89.85	1.4424	1.1515
1st Support	1.2470	89.74	1.4418	1.1450
2nd Support	1.2455	89.48	1.4317	1.1419
3rd Support	1.2433	89.22	1.4229	1.1330

Intraday EUR/USD: Consolidates beneath Friday's high at 1.2673 as bears look to protect the long-term downtrend by applying pressure on the 1.2470 low. This level also represents 38.2% retracement of the recovery off last week's four-year low at 1.2143, and as 1.2673 has been left as a near-term bull failure, the 1.2455 intraday higher low is likely to face a test. Former range highs around 1.2433 revert to support, and protect the key 1.2396/1.2408 support area. A break above 1.2599 is required to swiftly re-open the 1.2673 high, with key resistance lying at 1.2728.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: Despite creating a higher low at 89.22, the corrective rally has been capped at 90.75, and given the bearish underlying tone to the market, the 89.48 projected support level is likely to come under pressure. 90.75 has become a near-term bull failure, and a break below 89.74 would expose 89.48, but 89.22 and the 88.95 reaction low would be vulnerable to increasing bear pressure. Only a sustained break above 90.75 would negate the near-term bearish outlook and create upside scope for 91.54.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Builds on the May 20 bear trap low at 1.4229 following the probe above 1.4474, and scope exists for further strength to the May 18 lower high at 1.4519. An upside target at 1.4562 needs to be met in order to keep the structure of this recovery intact, and create scope for the 1.4715 area on a sustained break above 1.4582. Loss of 1.4418 would concern near-term bulls, although only a break below the 1.4317 higher low would bring the focus back onto the 1.4229 low.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Continues to consolidate beneath the May 19 13-month high at 1.1587, and is rangebound while support at 1.1450 refuses to give way. The dominant threat is for a retest to the upside, and a successful break through 1.1587 would open key resistance at 1.1605, representing a 25-year bear resistance line for this week. Loss of 1.1450 is required to put bears in control of the near-term, creating downside potential for 1.1330.

Weekly chart USD/CHF trend: Bullish.

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Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0550 GMT	0.8633	112.55	1.4407	0.8269
3 Day Trend	Bullish	Bearish	Bearish	Bearish
Weekly Trend	Range	Bearish	Bullish	Bearish
200 day ma	0.8811	126.79	1.4694	0.8846
3rd Resistance	0.8771	114.40	1.4589	0.8500
2nd Resistance	0.8740	114.05	1.4480	0.8454
1st Resistance	0.8704	113.12	1.4445	0.8364
Pivot*	0.8703	112.83	1.4465	0.8228
1st Support	0.8615	112.08	1.4400	0.8190
2nd Support	0.8568	111.64	1.4364	0.8102
3rd Support	0.8494	111.05	1.4310	0.8065

Intraday EUR/GBP: Extends the setback off Friday's high at 0.8771 to correct the strong recovery off the May 19 bear trap low at 0.8494, and is closing in on key support in the 0.8615 area. This area is favoured to contain corrective weakness, and prompt a recovery back towards the 0.8740 lower high, which protects 0.8771. Only a sustained break below 0.8615 would threaten to undo last week's positive work, and expose the 0.8494 low.

Weekly chart EUR/GBP trend: Range.

Intraday EUR/JPY: Consolidation of last week's 109.47/114.40 recovery is taking the shape of a pennant, and while 112.08 holds, the threat is for renewed upside pressure towards 114.05. A break through there would complete the intraday bullish pattern, opening 114.40 and creating upside scope for the May 18 lower high at 115.50. A sustained break to the downside however, would expose 111.64 and leave the 111.05 higher low vulnerable to a retest.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Consolidates last week's strong advance to 1.4589, and bear pressure is on support at 1.4400. A break below there would expose 1.4364, but weakness should be contained above the key 1.4293/1.4310 support area, to protect 1.4256. A break through 1.4480 is required to lift the tone and suggest a retest of the 1.4589 high.

Weekly chart EUR/CHF trend: Bullish.

Intraday AUD/USD: The recovery off Friday's low at 0.8102 temporarily halts the recent dramatic decline, but the sideways drift since the cap at 0.8364 suggests support at 0.8190 is looking shaky. A break below there would bring the focus back to the 0.8102 low, threatening further weakness towards a significant support cluster just above the psychological 0.8000 level. Above 0.8364 would lift the near-term, but only above 0.8454 would give longer-term bears cause for worry.

Weekly chart AUD/USD trend: Bearish.

* The pivot is the sum of the high, low and close divided by 3.

For more technical analysis see: Dow Jones Newswires, N/DJTA; Bloomberg, NI DJTA; and Reuters key word search "INSI-DJN"

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