

European Forex Technicals: EUR/USD To Test 1.2490 Support

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A DOW JONES NEWSWIRES COLUMN

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

Forex spot:	EUR/USD	USD/JPY	GBP/USD	USD/CHF
Spot 0529 GMT	1.2635	84.28	1.5420	1.0282
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	1.3221	90.10	1.5433	1.0729
3rd Resistance	1.2785	85.35	1.5540	1.0400
2nd Resistance	1.2730	85.00	1.5503	1.0385
1st Resistance	1.2667	84.51	1.5480	1.0338
Pivot*	1.2645	84.23	1.5423	1.0355
1st Support	1.2616	83.58	1.5371	1.0287
2nd Support	1.2588	83.20	1.5350	1.0257
3rd Support	1.2490	82.90	1.5320	1.0220

Intraday EUR/USD: Consolidation off Tuesday's low at 1.2588 is likely to be short-lived, and will struggle to break resistance at 1.2730. Renewed bear pressure is expected on 1.2588, and a break below there would extend the short-term downtrend into fresh five-week lows towards significant pivotal support around 1.2490. Only above 1.2730 would lift the tone, opening 1.2785.

Weekly chart EUR/USD trend: Bearish.

Intraday USD/JPY: The bear trend into fresh 15-year lows is set to extend Wednesday as support at 83.58 is likely to face renewed pressure. A break below there would expose 83.20, but there is stronger support in the 82.90 area, which marks the bull support line of a long-term diagonal triangle. Corrective gains should be beaten back by resistance in the 85.00 area, which protects 85.35.

Weekly chart USD/JPY trend: Bearish.

Intraday GBP/USD: Bears have retained control of the near-term following the break into fresh one-month lows below 1.5465, and congested daily moving average support at 1.5350 is the immediate target. However, there is scope for a deeper setback towards 1.5320, and the more significant pivotal support level at 1.5230. Corrective gains will struggle to retest the 1.5503 resistance area, and only a break above there would lift the tone.

Weekly chart GBP/USD trend: Bearish.

Intraday USD/CHF: Tuesday's sharp setback off 1.0451 defines the tone, and support at 1.0287 is likely to be broken. The Aug. 19 reaction low at 1.0257 lies just beneath there, but there is scope for a break into fresh seven-month lows towards 1.0220 and 1.0165. Corrective upside scope is limited to 1.0385, which is protected by 1.0338.

Weekly chart USD/CHF trend: Bearish.

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second table

Forex spot:	EUR/GBP	EUR/JPY	EUR/CHF	AUD/USD
Spot 0528 GMT	0.8197	106.48	1.2992	0.8825
3 Day Trend	Bearish	Bearish	Bearish	Bearish
Weekly Trend	Bearish	Bearish	Bearish	Bearish
200 day ma	0.8565	119.19	1.4162	0.8809
3rd Resistance	0.8281	108.25	1.3191	0.8945
2nd Resistance	0.8246	107.50	1.3105	0.8900
1st Resistance	0.8220	107.05	1.3060	0.8873
Pivot*	0.8190	106.40	1.3089	0.8842
1st Support	0.8175	105.90	1.2973	0.8796
2nd Support	0.8143	105.44	1.2960	0.8718
3rd Support	0.8086	105.00	1.2900	0.8634

Intraday EUR/GBP: The recovery off Monday's low at 0.8143 is testing resistance in the 0.8220 area. However, the dominant short-term trend is down, and only a break above the Aug. 20 high at 0.8246 would begin to concern bears. A push below 0.8175 would prompt a return to the 0.8143 low.

Weekly chart EUR/GBP trend: Bearish.

Intraday EUR/JPY: Bears set fresh eight-and-a-half year lows below 107.30 Tuesday on the way to 105.44, and this low is likely to face renewed pressure. A break below 105.90 is required to expose 105.44, and threaten further weakness towards 105.00 and 104.71. A break above 107.05 would prompt consolidation towards 107.50, but corrective upside is limited to the 108.25 area.

Weekly chart EUR/JPY trend: Bearish.

Intraday EUR/CHF: Dominant bears set a fresh all-time low at 1.2973 Wednesday, and remain in control as more weakness is expected towards 1.2960. Failure to hold this projected support level would prompt another downwave towards 1.2900, and an equality target lies at 1.2806. 1.3105 caps corrective gains, which is protected by 1.3060.

Weekly chart EUR/CHF trend: Bearish.

Intraday AUD/USD: Tuesday's break below 0.8835 has put bears in control of the near-term, and support at 0.8796 is expected to face fresh scrutiny. Scope exists for another wave of bear pressure to meet the downwave equality target at 0.8718, and the July 19 higher low at 0.8634 is also vulnerable. The 0.8900 area limits the scope for corrective gains.

Weekly chart AUD/USD trend: Bearish.

* 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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