

# Daily Market Technicals

Wednesday, 22 February 2012

## FX Outlook

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# EUR/USD – looking for upmove to struggle at 1.3322

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** EUR/USD as expected is struggling at the 1.3300/22 area (last weeks high). Failure here should provoke a sell off back to the 50% retracement at 1.2974, this remains our favoured scenario. Below 1.2974 should trigger losses to 1.2891/54, then 1.2775 en route to the 1.2626 recent low. Very near term we find the 20 day ma at 1.3170 and below here we should see the market come under pressure intraday.

Above 1.3322 would delay our outlook for a deeper retracement to 1.3435 and possibly 1.3628 prior to another leg lower. Note that we view short term strength as corrective only and remain longer term bearish.

**Today's trade:** Sell at market, add 1.3300, stops over 1.3325.

**Shorter term (1-3 weeks):** Remains under pressure below 1.3322.

**Medium term (1-3 months):** Targets 1.2083 (6 month target) and then 1.1876 2010 low.

Support	Reason	Resistance	Reason
1.3170	20 day ma	1.3235/50	27 <sup>th</sup> Jan high
1.3133, 1.3096	Minor Fibo	1.3322**	9 <sup>th</sup> Jan high
1.2974*	50% rtrace	1.3436**	Fibo
1.2854,	23 <sup>rd</sup> Jan low	1.3550/77**	2 <sup>nd</sup> Dec high
1.2800, 1.2698	13 Jan low	1.3582	Fibo

Daily EUR/USD Chart

Current Price: 1.3227



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Wed Feb 22 2012 05:12:02

# USD/CHF – Holding the .9080/66 support.

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** USD/CHF has once again tested and held the .9080/66 support. This is the February 2012 low, the November low and 38.2% retracement of the move seen from October 2011. It is key short term support, which should ideally hold the downside. Failure here would initiate a slide too .8960 then .8787/67 (200 day ma).

Key short term resistance is the 0.9314/31 pivot (October high, November high and the 55 day ma) – the market failed just ahead of this zone last week and we would allow for some more consolidation. We regard this as the barrier to the .9595 recent high.

**Today's trade:** Holding small longs .9094 – stops below .9065. Cover .9300

**Shorter term (1-3 weeks):** Market attempting to base .9088/66.

**Medium term (1-3 months):** Target .9775/84 then .9916/50 2009 trough and the 61.8% retracement of the move down from 2010.

Daily USD/CHF Chart

Current Price: 0.9131



Support	Reason	Resistance	Reason
.9082/66**	End Nov low	.9300	Recent high
.8988**	Fibo	.9314	55 day ma
.8960	3 <sup>rd</sup> Nov low	.9317/31**	Pivot
.8767*	200 day ma	.9340/45*	Minor Fibo
.8717, .8652	Time zone gap	.9407	13 Jan low

# GBP/USD – favour failure at the 200 day ma

Today's outlook: ➤ Weekly outlook: ➤

**Comment:** GBP/USD has started to falter ahead of the 200 day ma at 1.5913. Our favoured scenario is that we will see failure up here and slide back to 1.5645, last weeks low and then 1.5580, the 50% retracement. We have a support line, which cuts in today at 1.5727 and below here would add weight to our idea that the market is set to fail.

Slightly longer term, a break below 1.5580 is needed to trigger a move down to sub 1.5300.

Rallies will find interim resistance at 1.5881/83 ahead of the 1.5913/200 day ma. Above here lies the 1.5994 2007-2012 resistance line and the 200 week ma at 1.6130 – upside scope is limited, we favour failure.

**Today's trade:** Sell 1.5825, 1.5875 –stops over 1.5925.

**Shorter term (1-3 weeks):** Failing at 200 day ma

**Medium term (1-3 months):** Looking for slide to the 1.5188 2008-2011 uptrend. Our longer term target is 1.4260/29 (2010 low).

Support	Reason	Resistance	Reason
1.5775/30	Hourly pivot	1.5885, 1.5925**	Recent high
1.5727*	Support line	1.5913**	200 day ma
1.5671/62*	High 3 <sup>rd</sup> Jan high	1.5967	Fibo
1.5643*	Low 27 Jan+Fibo	1.6015	55 week ma
1.5616	55 day ma	1.6092*	11 Nov high

Daily GBP/USD Chart

Current Price: 1.5786



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# USD/JPY – Bid above the 60 minute cloud

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** USD/JPY has started to erode the 79.93/80.25 pivot. This is the 23.6% retracement of the move down from the 2010 peak, the November 2010 low, and of course the 1995 low. It is showing extreme resilience at these levels and little sign of a retracement and we have today attached the 60 minute chart with a Ichimoku cloud as this has underpinned the entire move since the beginning of February and offers support at 79.63/43 currently.

Longer term we are bullish. We target 86.85, the 23.6% Retracement of the move down from 2007. Although 82.80 (Fibo) and 85.53 (2011 high) are likely to offer some resting places en route.

The market remains directly bid above 78.29/24 and we have a confirmed buy signal on the daily DMI.

**Today's trade:** Buy at market, add on dips to 79.70 and place stops 78.20.

**Shorter term (1-3 weeks):** Target 79.55/80.25

**Medium term (1-3 month):** Will need to overcome the 55 week ma and 80.00/25 pivot to confirm long term reversal.

Support	Reason	Resistance	Reason
79.63/43	60 min cloud	80.25**	Aug peak
78.41, 78.29*	November high	81.49*	July 2011 high
78.24**	Acc uptr	81.97*	38.2% Fibonacci
78.02	200 day ma	82.05*	March high
77.34/31	55 day ma	83.30**	February high

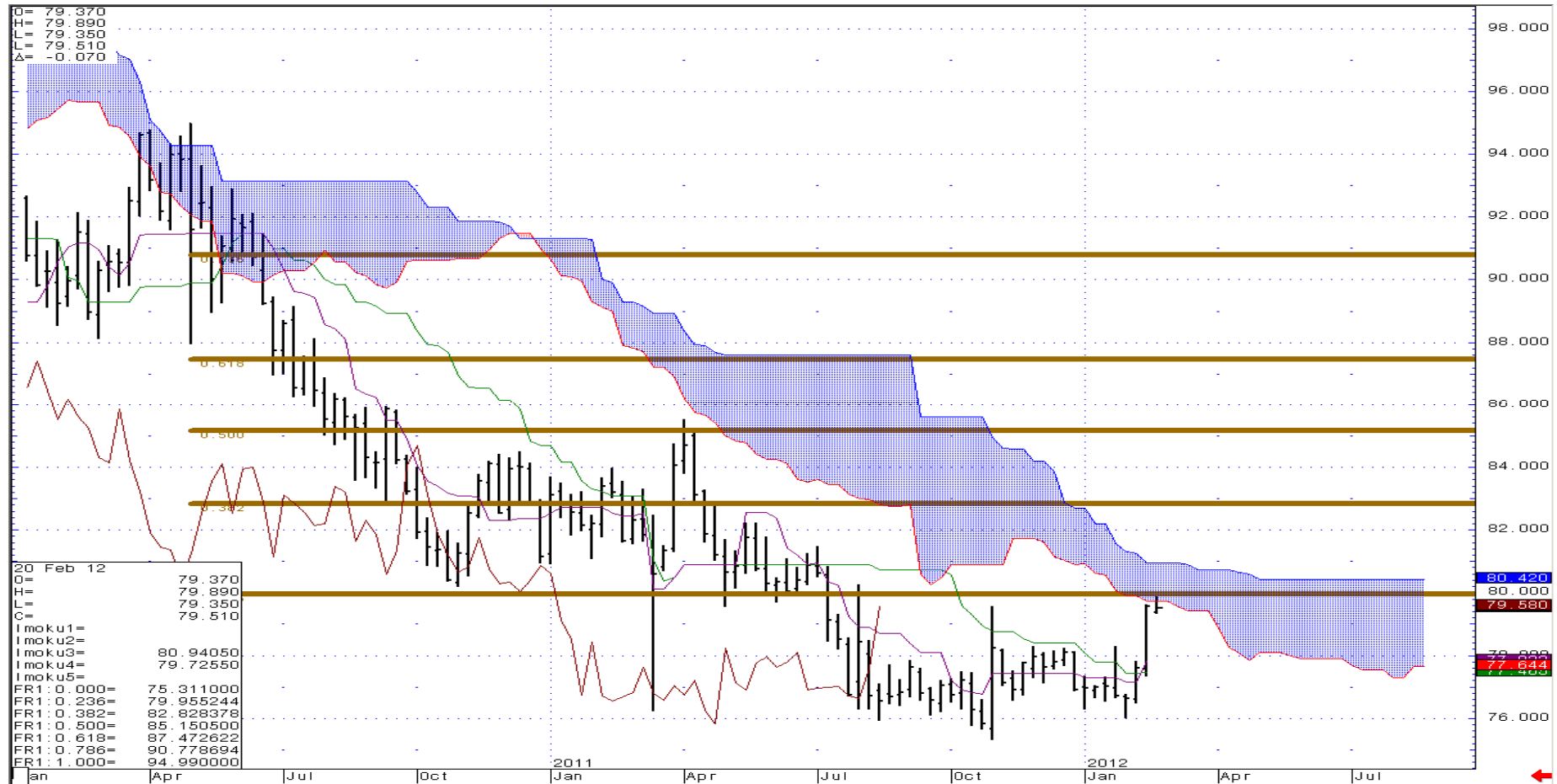
60 minute USD/JPY Chart

Current Price: 80.07



# USD/JPY - weekly

Facing tough resistance at 79.95/80.25



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Mon Feb 20 2012 05:33:07

# AUD/USD – Eroding channel support

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** AUD/USD continues to falter at the 1.0825 resistance line and has eroded channel support and last weeks low of 1.0629. The market looks increasingly negative and we look for a slide back to the 2 month uptrend at 1.0517 – a break below here is required to negate the upmove. We look for rallies to now struggle 1.0800/25

We are biased toward failure here. Only above 1.0845 will put resistance at 1.1030/80 back on the cards

**Today's trade:** Short 1.0770, add 1.0825 and place stops over 1.0845. Cover 1.0410.

**Shorter term (1-3 weeks):** We consider the 1.1080 high to be significant but while above the channel further upside attempts remain viable.

**Medium term (1-3 months):** Looking for market to remain capped by 1.1090.

Support	Reason	Resistance	Reason
1.0611/07	Minor supp line	1.0800/08	
1.0517**	Sht term uptr	1.0825**	Resist line
1.0405*	200 day ma	1.0845**	8th Feb high
1.0382	Dec high	1.0888**	11 May high
1.0046*	29 <sup>th</sup> Dec low	1.1013**	May high

Daily AUD/USD Chart



# EUR/JPY – Eroding band of resistance at 105.75/106.80

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** EUR/JPY is pushing hard into the 106.02/61.8% retracement of the move down from October. Directly overhead lies a band of resistance which contains the 23.6% retracement of the move down from 2009, the March 2011 low and the 2<sup>nd</sup> December 2011 high. This is a LOT of resistance and we are wary of profit taking here. Provided dips lower hold over trend line support at 102.01 we will maintain a bullish bias

We note that the cloud support on the 60 minute chart offers support at 105.41/104.81 and we will assume while above here the market is directly bid intraday.

Above 106.80 would target the 200 day ma at 107.25 then the 55 week ma at 109.64 en route to 111.32/57 (the intervention high).

**Today's trade:** Buy at market, add 105.50 and place stops 104.80. Cover 109.50.

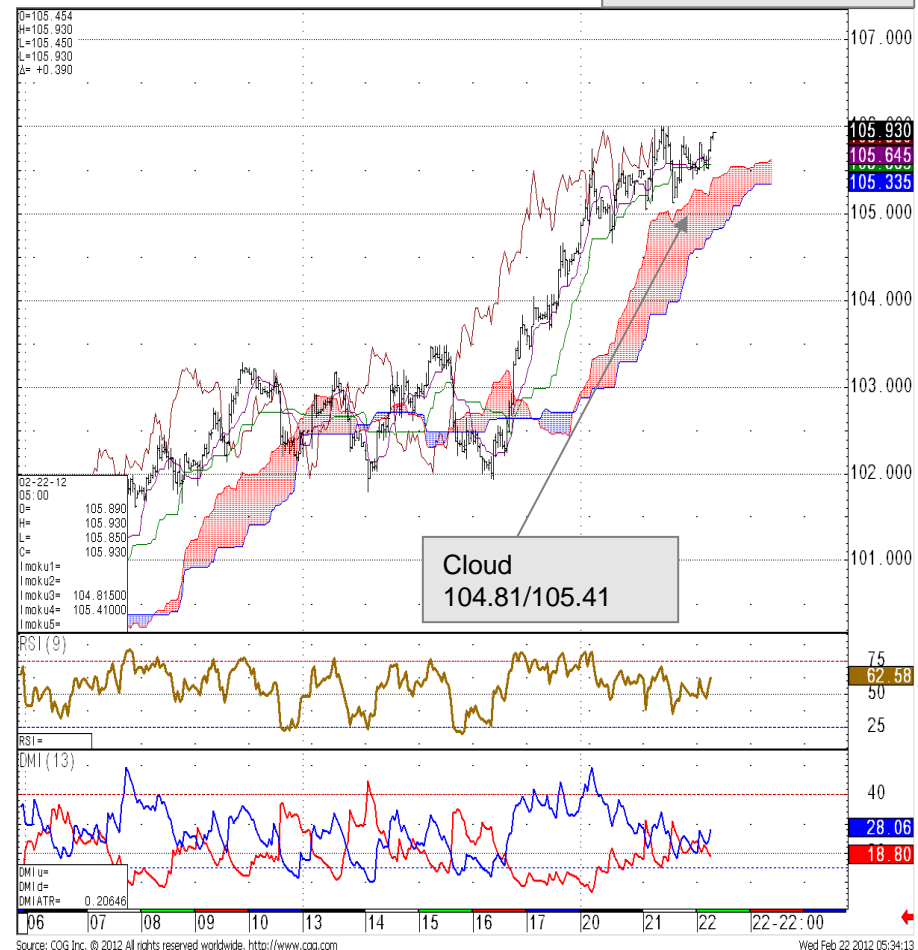
**Shorter term (1-3 weeks):** Bid above 99.25

**Medium term (1-3 months):** Attempting to base

Support	Reason	Resistance	Reason
105.41/104.81	Cloud 60 min	106.02**	Fibo
103.90	Fibo	106.60/78**	14 Nov low
103.28	9 <sup>th</sup> Feb high	107.25**	200 day ma
102.21*	Jan high	108.45	Fibo
102.17	20 day ma	109.64**	55 week ma

60 min EUR/JPY Chart

Current Price: 105.91



# EUR/GBP – Bid in range but favour failure 0.8400/31.

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** EUR/GBP remains bid in its range and has rechallenged the .8400/05 highs seen from last week, we continue to favour failure. This market is somewhat range bound – support lies at 0.8260 (Fibo) and resistance extends 0.8400/31.

We maintain a negative bias – the market has seen repeated failure at 0.8400. We believe it has recently executed a 'return to point of break out' from its 2008-2011 trendline and failed ahead of key resistance at 0.8420/25, the December high and the 23.6% retracement of the move down from July 2011.

We look for losses to extend to 0.8260 (the 78.6% retracement), which is the last defence for the 0.8221 January low Our longer term target is 0.8067 the 2010 low.

**Today's trade:** Holding shorts .8400, lower stops to 0.8405. Partially cover .8265, looking to cover the remainder 0.8225.

**Shorter term (1-3 weeks):** Looking for failure .8422/27.

**Medium term (1-3 months):** target .8067, 2010 low then .7750 (12 month)

Support	Reason	Resistance	Reason
.8262, 8221**	Low 9 <sup>th</sup> Jan	.8400/05*	Feb highs
.8172*	Fibo	.8421**	29 <sup>th</sup> Dec high
.8137**	August 2010 low	.8425*	Fibo
.8067**	June 2010 low	.8445	15 <sup>th</sup> Dec high
.8000*	psychological	.8486**	Various lows Nov

Daily EUR/GBP Chart



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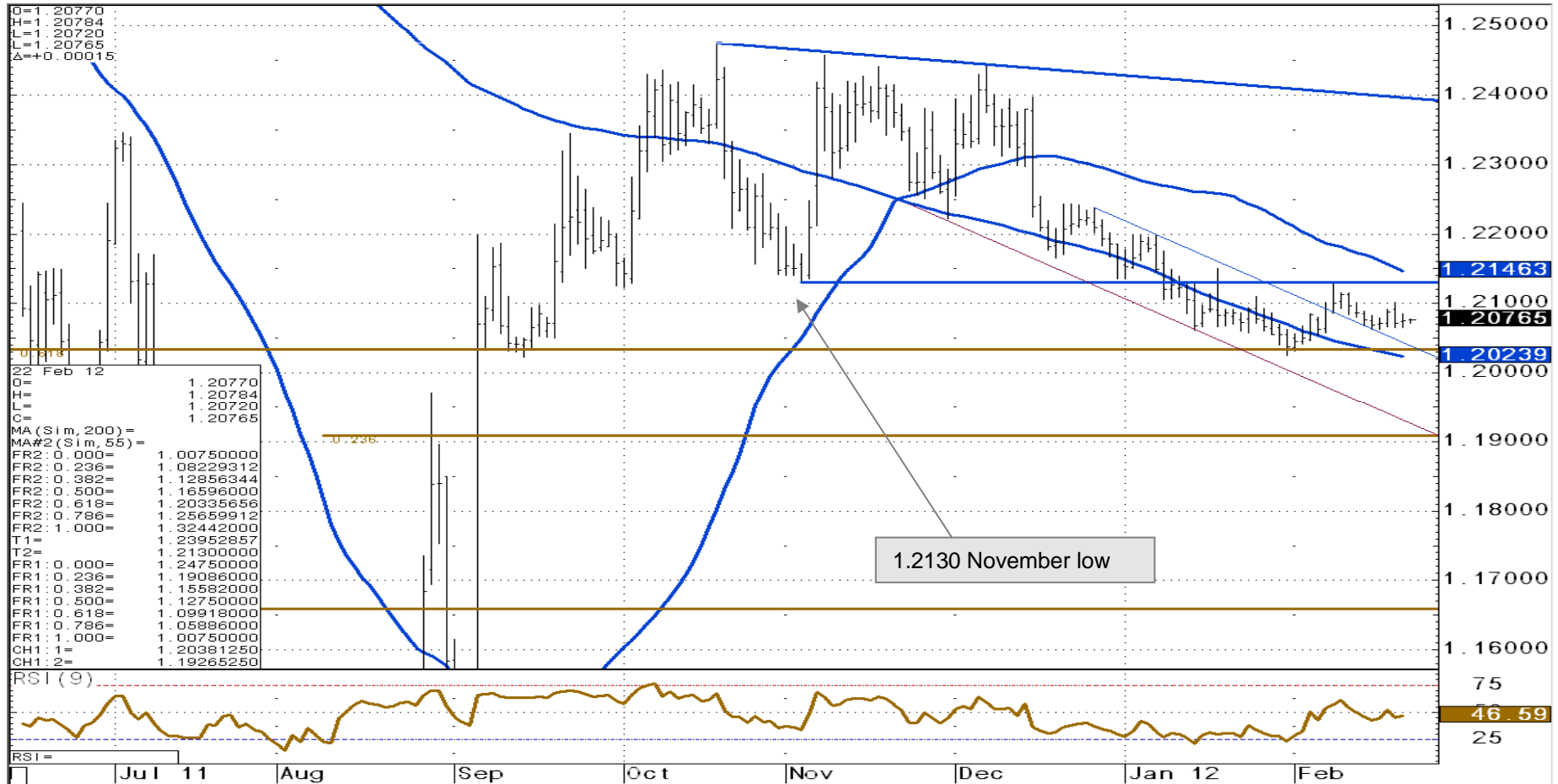
Wed Feb 22 2012 05:43:19

# EUR/GBP weekly chart

Previous uptrend now offers resistance at .8431



# EUR/CHF – 1.2130, the November 2011 low needs to be overcome to further alleviate downside



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Wed Feb 22 2012 05:45:03

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**Daily Market Technicals**  
FX Outlook

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**Strategic Technical Themes**  
Weekly Outlook and Technical Highlights

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Technical Outlook

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**Bullion Weekly Technicals**  
Technical Outlook

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**Commodity Currencies Weekly Technicals**  
Technical Outlook

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**Asian Currencies Weekly Technicals**  
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Support and resistance levels with no asterisk denote minor levels. One asterisk denotes an area of reasonable support or resistance, two stars are for strong areas of support or resistance.

Uptr = Uptrend, connecting 3 low points.

SL = Support line. Support lines have only 2 points of contact and are not as important as uptrends.

Dtr= Downtrend, connecting 3 high points.

RL = Resistance line. Resistance lines connect only 2 high points and are not as important as downtrends.

Fibo = Fibonacci retracement – we use the 23.6%, 38.2%, 50%, 61.8% and 78.6% levels.

Fibox = Fibonacci extension – we use the 61.8%, 78.6%, 100%, 138.2%, 161.8% and 261.8% levels.

Pivot point = an area on the chart which acts as both support and resistance.

St = Short term level (for example St Fibonacci retracement refers to the nearest highs and lows)

Lt = Long term level (for example Lt Fibonacci retracement refers to longer term highs and lows)

55 dma = 55 day (simple) moving average

200 wma = 200 week (simple) moving average

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