

# Daily Market Technicals

29/07/2013

## FX Outlook

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# EUR/USD – Facing tough overhead resistance in the 1.3360-1.3417 band and looking for this to provoke failure

Today's outlook: → Weekly outlook: →

**Comment:** EUR/USD is approaching tougher resistance offered by the 2013 resistance line at 1.3334 and the key resistance at 1.3360/1.3417. This is where the 2011-2013 downtrend, the 200 week ma and the June high meet and we look for it to hold the topside and provoke failure. We note the 13 count on the 240 minute chart and this offers additional resistance at 1.3325.

The market stays bid intraday above 1.3165. Below here targets 1.30 and loss of this zone is needed to re-target the 1.2755/40 recent low and April low.

**Current position:** Shorts stopped. **Recommended trade:** Reinstate shorts 1.3300, add 1.3370, stop 1.3425.

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

**Medium term (1-3 months):** Targets 1.2800, 1.2400 en route to the 1.2050/42 2012 low.

Support	Reason	Resistance	Reason
1.3165/64	23 <sup>rd</sup> July low	1.3334	Resist line
1.3085/75	55+200 dma	1.3360**	Dtrend
1.2980	Minor Fibos	1.3404*	14 <sup>th</sup> January high
1.2930/35	Minor Fibo	1.3409**	200 week ma
1.2750/40**	March/April lows	1.3417**	19 <sup>th</sup> June high

Daily EUR/USD Chart



# USD/CHF – Fibo support at .9269 holding

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** USD/CHF last week sold off to and held over the .9269/78.6% retracement. Rallies will need to regain the accelerated downtrend at .9366 in order to alleviate immediate downside pressure and signal recovery to the .55 day ma at .9463 in order to introduce scope to the .9568 March high.

Support at .9269, the 78.6% retracement is regarded as the last defence for the .9130 June low.

Above the .9568 March high should see upside interest re-engage and retarget the .9753 July high.

**Current Position:** Long .9310 **Recommended Trade:** stop .9240. Exit .9460

**Shorter term (1-3 weeks):** on the defensive

**Medium term (1-3 months):** Positive above .9000, targets the .9972 2012 high (end of year target).

Support	Reason	Resistance	Reason
.9269*	Fibo	.9360/61	200 dma
.9242	Low 21 <sup>st</sup> June	.9366	Resistance line
.9175, .9130*	13 <sup>th</sup> June low	.9463	55 day ma
.9099	11 <sup>th</sup> January low	.9568*	March high
.9076	2 <sup>nd</sup> January low	.9643	Gap

Daily USD/CHF Chart



# GBP/USD – At the 1.5393 Fibo

Today's outlook: → Weekly outlook: →

**Comment:** GBP/USD had a fairly volatile week, however starts this week still trading around its 61.8% retracement at 1.5393. Elliott wave signals and TD counts continue to point to failure. Should 1.5435 be eroded however we will have to allow for further upside gains to 1.5551 the 78.6% retracement.

Loss of the 1.5265/55 support is needed to signal the resumption of downside pressure and re-target the 1.4854/32 support zone.

**Current trade:** Short 1.5375 **Recommended Trade:** Leave the stop 1.5435. Cover 1.5100.

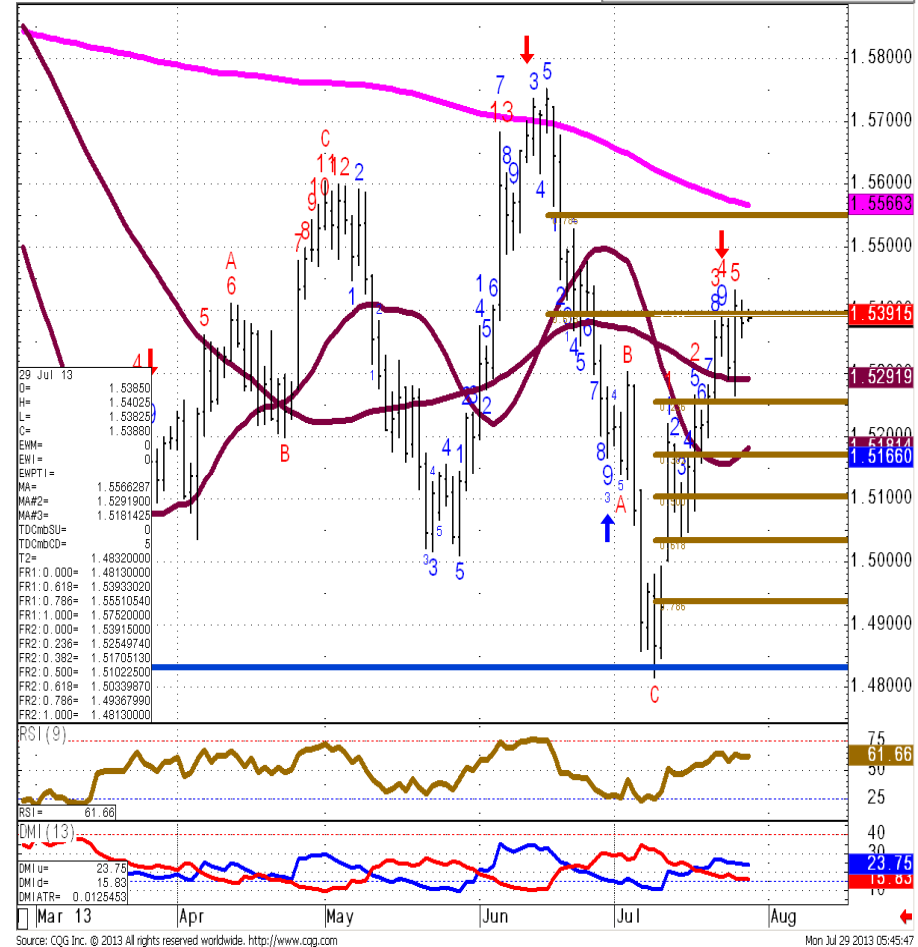
**Shorter term (1-3 weeks):** Upside corrective

**Medium term (1-3 months):** Longer term we look for losses to 1.4832, then 1.4229, the 2010 low.

Support	Reason	Resistance	Reason
1.5255/65**	Low 25 <sup>th</sup> July	1.5393/1.5400*	Fibo
1.5303	3 <sup>rd</sup> July high	1.5412	12 <sup>th</sup> April high
1.5292	55 day ma	1.5435	TD resistance
1.5181	20 day ma	1.5530	21 <sup>st</sup> June high
1.5015*	May low	1.5551*	Fibo

Daily GBP/USD Chart

Current Price: 1.5388



# USD/JPY – sold off to the base of the cloud

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** USD/JPY last week started to sell off and has sold off to the base of its cloud at 97.57. This is exposed. Failure here will leave the market under pressure and likely to slide back to 96.75/95.40 en route to the 93.75 recent low. It is vulnerable this week to further losses.

Rallies remain blocked on the topside by its 100.74 resistance line and the 101.60/78.6% retracement.

**Current Position:** Short 99.50. **Recommended Trade:** Add 100.00, lower the stop from 101.65 to 100.80. Cover 95.00.

**Shorter term (1-3 weeks):** Neutral to negative below 101.60

**Medium term (1-3 month):** Market has topped for now.

Support	Reason	Resistance	Reason
97.57*	Cloud	99.42	55 dma
97.64/65	Fibonacci	100.74/101.05	minor
96.95	25 <sup>th</sup> June low	101.60**	Fibo
94.97	7 <sup>th</sup> June low	102.50/60*	24 <sup>th</sup> May high
93.58*	38.2% Fibonacci	103.41	March 2004 low

Daily USD/JPY Chart



# AUD/USD – basing near term, allow for probes into the .9388/.9405 resistance

Today's outlook: ➔ Weekly outlook: ➔

**Comment:** AUD/USD's choppy price action was seen the whole of last week. There is no escaping the fact that the market could well be base building near term – however while capped by key resistance at .9388/.9405 a downside bias will persist. These are the 2011 low and highs from 2009 and 2010. To trigger another leg lower we suspect that the market will need to sustain a break back below .9000.

Longer term the close below .9147 which has been seen recently is bearish and we consider that the next target of .8550 is engaged.

**Current Position:** Short .9270. **Recommended Trade:** Add to shorts .9375 – stop .9420. Cover .8550

**Shorter term (1-3 weeks):** Sell off has breached the .9404/.9388 support and targets the .8550 zone.

**Medium term (1-3 months):** Targets .8550 en route to .8068, the 2010 low.

Support	Reason	Resistance	Reason
.9148/30*	Low 24 <sup>th</sup> June	.9328/44*	Mid-June low
.9038	Low 3 <sup>rd</sup> July	.9373*	Fibo
.9000**	Psych. support	.9388/.9404**	Low 2011
.8871*	Jul 2007 high	.9405*	Fibo
.8770*	Aug 2010 low	.9528*	May low

Daily AUD/USD Chart

Current Price .9258



# EUR/JPY – Eroding uptrend support at 130.12.

Today's outlook: ➤ Weekly outlook: ➤

**Comment:** EUR/JPY's new high of 132.75 last week was accompanied by a divergence of the daily RSI and the market has failed ahead of the 133.82 May. The 8 month uptrend at 130.12 is being eroded and this targets the base of the cloud at 128.75 and then the 124.94 June low.

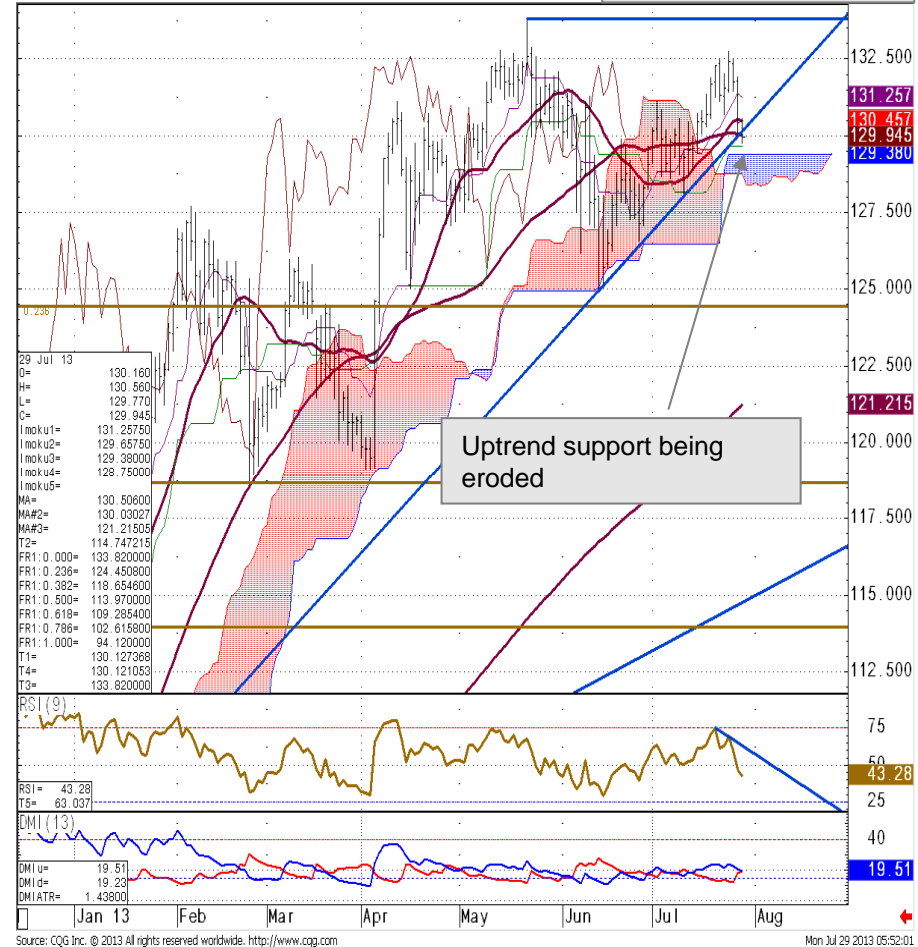
Intraday rallies are likely to see initial resistance at 131.10 ahead of 132.75 and 133.82.

**Current Position:** Longs from 131.25 were exited at 132.15 for a tiny loss. **Suggested Trade:** Sell rallies to 130.60, 131.10, stop 132.80.

**Shorter term (1-3 weeks):** Neutral to positive to the 133.82 May high

**Medium term (1-3 months):** Neutral

Daily EUR/JPY Chart



Support	Reason	Resistance	Reason
129.87, 129.34	10 <sup>th</sup> July low	131.10	2 <sup>nd</sup> July high
128.75	Cloud support	132.75/78**	14 <sup>th</sup> May high
126.47**	16 <sup>th</sup> April low	133.82**	May high
125.00*	Fibo	134.37**	Late Nov '09 high
124.45*	2011 high	134.54	Measured target

# EUR/GBP – market attempting to recover

Today's outlook: → Weekly outlook: →

**Comment:** EUR/GBP is holding over the 10<sup>th</sup> July low at .8576, intraday charts have turned slightly more positive and it is possible that we will see further recovery. Directly overhead lies the .8710/14 resistance and this represents some tough overhead resistance for the market – it is the recent high and also the 2008-2013 resistance line and we suspect that rallies will struggle here. Above here would push the .8793/.8814 highs seen earlier in the year back into the picture.

Below .8575 would imply some deeper sell off towards the .8518/.8470 3 month uptrend and 2012-2013 uptrend.

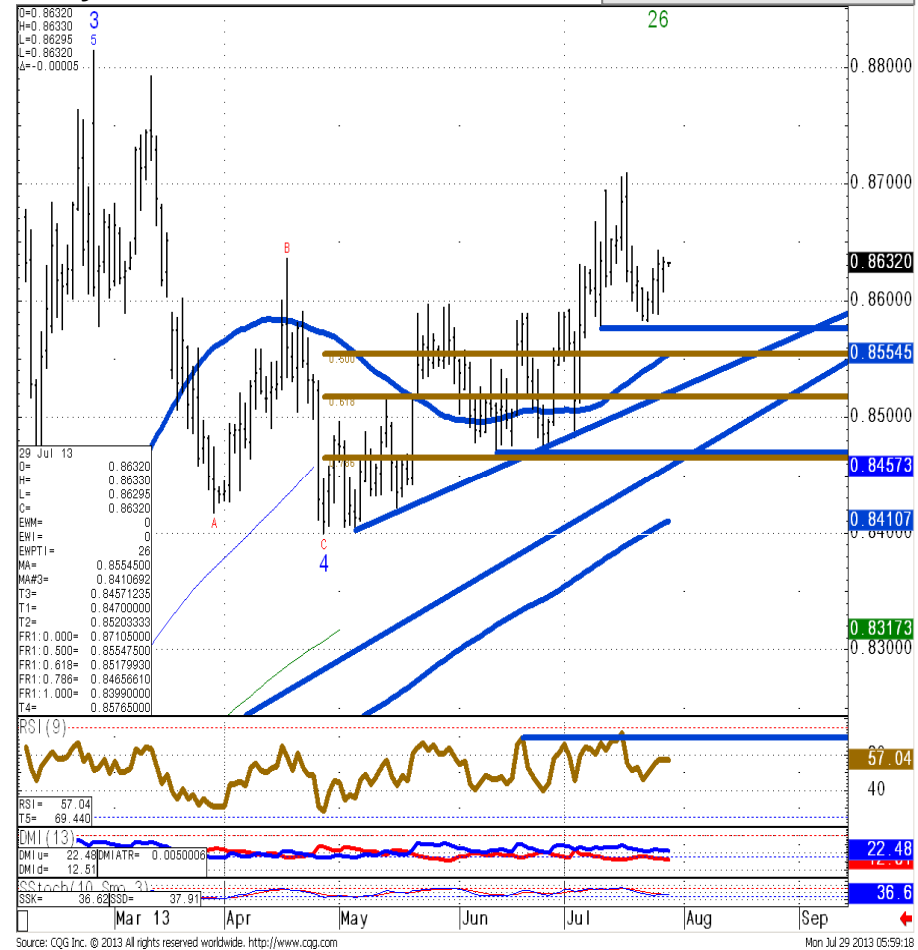
**Current Position:** Shorts from .8625 exited .8617. Square  
**Recommended trade:** Attempt tiny longs .8590, stop .8570

**Shorter term (1-3 weeks):** Inching higher.

**Medium term (1-3 months):** Neutral to positive. Target .8800.

Support	Reason	Resistance	Reason
.8576	10 <sup>th</sup> July low	.8631/46	4 <sup>th</sup> July high
.8555	55 dma	.8710**	17 <sup>th</sup> July high
.8518*	Support line	.8719**	2009-2013 dtrend
.8470**	12 <sup>th</sup> June low	.8793**	12 <sup>th</sup> March high
.8422*	16 <sup>th</sup> May low	.8830**	Oct 2011 hi

Daily EUR/GBP Chart





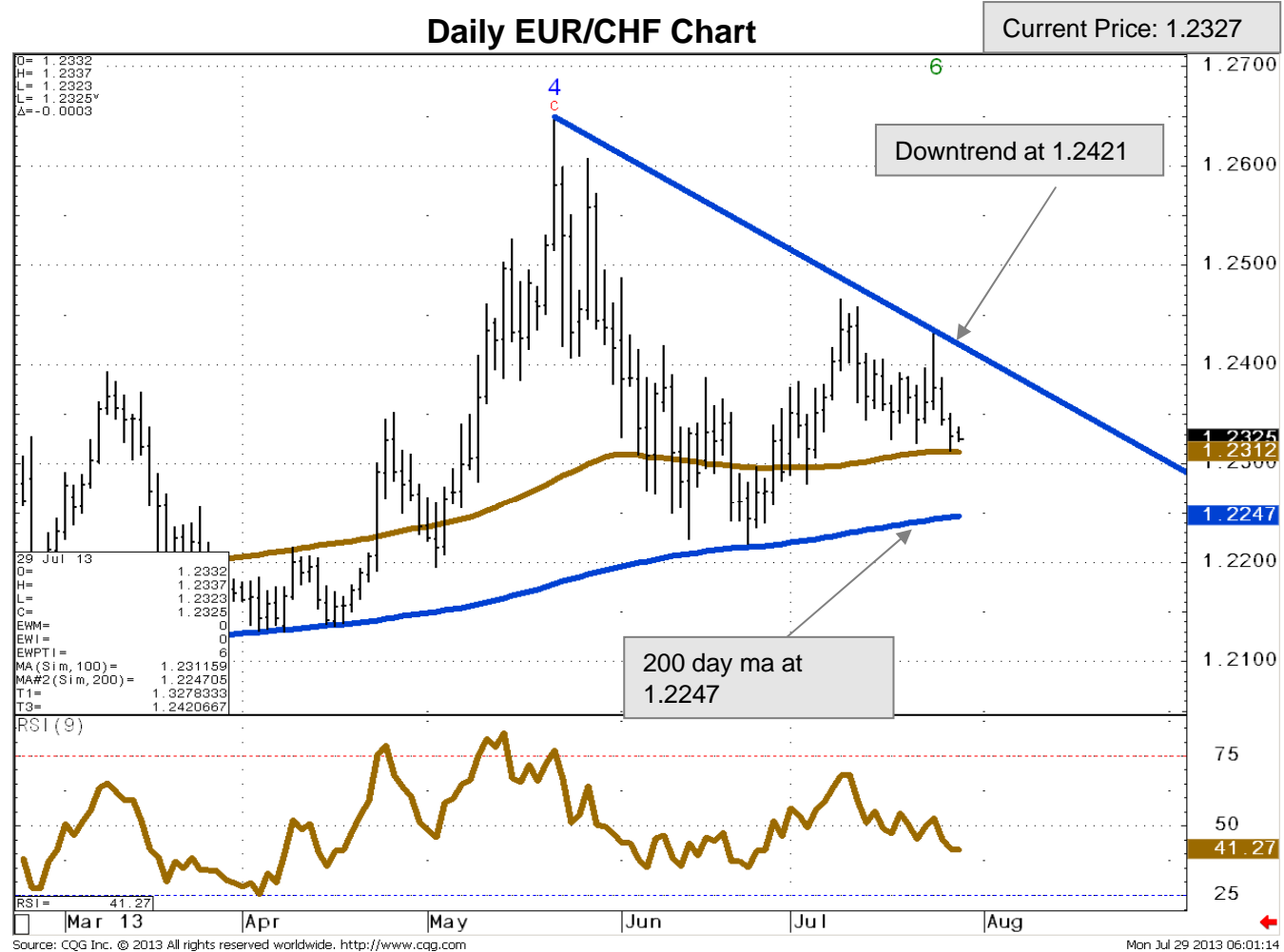
# EUR/CHF – negative below resistance line at 1.2421

EUR/CHF having failed on the upside attention has reverted to the 55 day ma at 1.2312.

Below 1.2313 would cast attention back to the 200 day ma at 1.2247.

The market will remain offered below the 1.2421 re-drawn resistance line. Only above the current 1.2466 July high would target 1.2545/57 and above here will refocus attention on the 38.2% Fibonacci retracement of the 2007-11 decline at 1.2655.

Above 1.2655 sits the 1.2765 September 2010 low and 1.2815, the 200 week ma.



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**Daily Market Technicals**

FX Outlook



For important disclosure information please see pages 14 and 15.


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Technical Outlook




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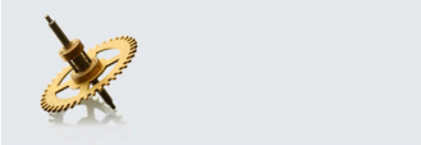
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**Commodity Currencies Weekly Technicals**

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Technical Outlook



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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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