

Currency MatrixSM

April 7, 2007

OVERVIEW: The main directional mover is MXN. Fresh bearish downtrends on the weekly and monthly charts, combined with last week's settle under breakdown levels for both Q2 (10.6148) and April (10.5956), points sharply lower. Minimum targets are 10.3936 for the month (also the closest weekly support) and 10.2176 for Q2. Elsewhere, still looking for countertrend trades to distant monthly trends at 104.4777JPY, 1.0560CH and 1.5090 uptrend support in Euro. Weekly trend turned neutral in both \$/JPY and \$/Swiss (as well as turning bearish in Sterling), indicating those corrections are underway. Of the four majors, \$/JPY has the best directional bias this week from 100.70 to 104.47/88. Lastly, Aussie\$ has a breakout situation brewing, with inside ranges on both the weekly and monthly charts leaving acceleration points at .9243 resistance (gap to .9439 above) and .9056/37 support (to .9921/08 under there).

Currency	MTD	QTD	Trend - Projected Range			Market Status
\$/JPY 101.53	1.74%	1.74%	Weekly	NEU	100.70 to 104.47/77	Weekly trend turned neutral from bearish last week, suggesting a correction to high monthly downtrend at 104.47/77. Larger trends are bearish.
			Monthly	DOWN	94.66 to 105.85	
			Quarterly	DOWN	94.66 to 109.21	
			Position Strategy: Set partial longs against 100.70; set shorts against 104.77/77 (April) and 105.85 (Q2).			
\$/SWISS 1.0065	1.36%	1.36%	Weekly	NEU	0.9865/45 to 1.0195	The monthly setup is neutral and wide spread from .9790 to 1.0560 downtrend. Last week's upturn on the weekly chart signals upside correction to 1.0480/1.0560.
			Monthly	DOWN	0.9790 to 1.0560	
			Quarterly	DOWN	0.8685 to 1.1035	
			Position Strategy: Set longs at .9865/40 to .9790; wait to sell 1.0560 monthly downtrend.			
Sterling 1.9925	0.40%	0.40%	Weekly	DOWN	1.9630 to 2.0075	Direction here is unclear. Although weekly trend did turn officially bearish last week, the setup is neutral from 2.0075/2.1030 to 1.9710/1.9630.
			Monthly	NEU	1.9475 to 2.0075	
			Quarterly	NEU	1.8975 to 2.0895	
			Position Strategy: Set partial shorts against April level at 2.0075 and weekly level at 2.0130. Cover at 1.9710 and 1.9630 this week.			
Euro 1.5730	-0.35%	-0.35%	Weekly	UP	1.5390 to 1.5855	Trend is still bullish in all time frames, but with neutral setup under weekly/April level at 1.5775/1.5855. A break of weekly uptrend at 1.5635 triggers correction
			Monthly	UP	1.5090 to 1.5855	
			Quarterly	UP	1.4715 to 1.6575	
			Position Strategy: Add/hold shorts at 1.5775 (weekly) and 1.5855 (April). Target for week is 1.5390 and 1.5165.			
\$/CAD 1.0086	-1.76%	-1.76%	Weekly	UP	0.9941 to 1.0296	No clear directional bias here. Main resistance is the April/Q2 area from 1.0336 to 1.0367/68; main support is opposing April/Q2 support at .9759/00.
			Monthly	NEU	0.9759 to 1.0368	
			Quarterly	DOWN	0.9700 to 1.0368	
			Position Strategy: Still waiting to trade wider levels - sell 1.0336/68; buy .9759/49 and .9700.			
Aussie 0.9220	0.88%	0.88%	Weekly	NEU	0.9037 to 0.9243	This is a breakout scenario for both the week and April, as inside ranges leave key breakout areas at .9212/43 and .9056/37.
			Monthly	UP	0.9037 to 0.9439	
			Quarterly	UP	0.8465 to 0.9594	
			Position Strategy: Add/hold shorts against .9243. But will also reverse longs above .9243 this week or add shorts on close under .9037.			
MXP (Peso) 10.5653	-0.64%	-0.64%	Weekly	DOWN	10.3936 to 10.6518	This is the one pure trend market, with weekly/monthly trend bearish and breakdown on the long-term charts under 10.6148/10.5956. Target is 10.3936 for April.
			Monthly	DOWN	10.3936 to 10.7812	
			Quarterly	NEU	10.2176 to 10.8660	
			Position Strategy: Sell strength to weekly trend at 10.6518/10.6667 this week. Cover shorts at April target of 10.3936.			
Bullish	Neutral	Bearish				