

Currency MatrixSM

June 16, 2008

OVERVIEW: The three favorites this week, in order, are \$/JPY, Sterling and \$/CAD. \$/JPY is now trend up on the weekly chart, with an open-ended setup for July and bullish risk for Q3. Buy structure extends from 106.64 to combined weekly trend/July zone at 105.60/39/15. There is nothing above until 110.32 for the week and 112.14 for rest of June. Sterling isn't officially trend down. But combined open-ended downside risk on both the July (under 1.9615) and Q3 (under 1.9665) points lower. Both are sell levels. Downside this week features intraweek gap from 1.9355 to expiring June level at 1.9120. Lastly, \$/CAD is trend up and a nice buy against weekly trend/July support at 1.0091/42. But the weekly setup is neutral and widespread until 1.0332/62 is cleared. Expecting more of a two-way week, but with the emphasis on buying weakness for future rally. Of the others, the most noteworthy risk is in Aussie, where a break under bullish monthly trend at .9339 sees intraweek gap to .9175/07.

Currency	MTD	QTD	Trend - Projected Range			Market Status
\$/JPY 108.15	2.56%	8.38%	Weekly	UP	106.64 to 110.32	Weekly trend is bullish and the July setup points higher. Buy zone is weekly uptrend at 106.64 to 105.60/39. There is nothing above until 110.32 this week; 112.14 for June.
			Monthly	NEU	102.50 to 112.14	
			Quarterly	DOWN	102.59 to 114.00	
			Position Strategy: Buy weakness at 106.64 and 105.60/39 weekly trend, plus July level at 105.15. Target is 112.14 for rest of June.			
\$/SWISS 1.0465	0.43%	5.39%	Weekly	NEU	1.0250/25 to 1.0575	Neutral, as weekly trend remains balanced here, with June boundaries at 1.0250/25 and 1.0540 still holding. Main sell zone is higher at Q2/Q3 area of 1.0715/85.
			Monthly	NEU	1.0075 to 1.0575	
			Quarterly	DOWN	0.8685 to 1.0715	
			Position Strategy: Will wait to sell strength against the 1.0715/80 zone; not particular buy level for now.			
Sterling 1.9465	-1.69%	-1.91%	Weekly	NEU	1.9120 to 1.9655/65	Although trend is neutral, the two developing July/Q3 setups are open-ended lower (under 1.9615 and 1.9665), with larger downside below 1.9355 this week.
			Monthly	NEU	1.9120 to 1.9870	
			Quarterly	NEU	1.8975 to 2.0895	
			Position Strategy: Add/hold shorts against 1.9615 and 1.9655/65. The earliest cover is 1.9120 expiring June level.			
Euro 1.5350	-1.32%	-2.76%	Weekly	NEU	1.5115 to 1.5585	The week starts out neutral, with last week's outside range leaving a balanced setup for the week. Main support is the 1.5115/00 Q3 uptrend; weekly resistance is 1.5585.
			Monthly	NEU	1.5115 to 1.5960	
			Quarterly	UP	1.5115/00 to 1.6205	
			Position Strategy: Strategy is unclear at this point. Will wait to trade outer levels - buy 1.5115/00 Q3 zone below; sell 1.5960 June level above.			
\$/CAD 1.0280	3.44%	0.13%	Weekly	UP	1.0091 to 1.0032/62	Bullish. Although the weekly setup is neutral (1.0091 to 1.0332/63), weekly trend is up and both the Q3 (above 1.0169) and July (above 1.0042) setups are bullish.
			Monthly	NEW	1.0042 to 1.0332	
			Quarterly	NEW	0.9925 to 1.0935	
			Position Strategy: Cover the 1.0332 short at 1.0169. Buy weakness to 1.0091 weekly trend and 1.0042 July level.			
Aussie 0.9385	-1.81%	2.68%	Weekly	NEU	0.9339 to 0.9533	Weekly momentum fell from bullish to neutral and is putting immediate pressure on the monthly uptrend at .9339. A break below sees intraweek gap to .9175.
			Monthly	UP	0.9339 to 0.9762	
			Quarterly	UP	0.9107 to 0.9762	
			Position Strategy: Hold existing longs against .9339 to exit at .9539 this week. Under .9339 is negative and points to .9175/07.			
MAP (Peso) 10.3570	0.36%	-2.60%	Weekly	DOWN	10.2696 to 10.4298	MXP held the Q3 level at 10.2795 two weeks ago and (barely) turned weekly trend neutral last week. Target to resell correction is June zone at 10.5063/10.5262.
			Monthly	DOWN	10.2176 to 10.5063	
			Quarterly	NEU	10.2176 to 10.7070	
			Position Strategy: Sell strength to June resistance at 10.5063/10.5262. Also sell a break/close under 10.2795.			
Bullish	Neutral	Bearish				