

Currency MatrixSM

April 14, 2007

OVERVIEW: The three main trend trades, in order of priority, are MXN, Sterling and Aussie\$. MXN is in a full-scale breakdown headed for 10.3936 for the month and 10.2176 for Q2. Bearish weekly trend is the driving force – and sell zone – above at 10.6116/10.6351 this week. Sterling is trend down on its weekly and day charts, with a negative weekly setup under combined weekly trend/Q2 area at 1.9880/1.9910. The trigger to accelerate lower is getting under the Q2 breakdown level at 1.9630. Finally, weekly trend in Aussie leans bullish this week above .9197/86, but is already inside its intramonth upside gap from .9212 to .9439/66. Elsewhere, Euro has the biggest potential for movement this week, with breakout risk below weekly uptrend at 1.5755/20 or above April(weekly) zone at 1.5855/(1.5915). Both \$/JPY and \$/Swiss are widespread and neutral from 98.51 to 102.71JPY and .9895/.9790 to 1.0175CH.

Charts: Shown are weekly, monthly setups for MXN (pp 2-3), the weekly downtrend for Cable, weekly uptrend for Aus\$ and weekly breakout for Euro outside 1.5755/20 or 1.5915 (pp 4-6):

| Currency | MTD | QTD | Trend - Projected Range | | | Market Status |
|--|----------------|----------------|-------------------------|------|--------------------|--|
| \$/JPY 100.90 | 1.11% | 1.11% | Weekly | NEU | 98.51 to 102.71 | Weekly trend does lean bullish above 100.67 this week - but with a neutral setup after the close under 101.13/31. Expecting a 98-51 to 102.71 week. |
| | | | Monthly | DOWN | 94.66 to 105.85 | |
| | | | Quarterly | DOWN | 94.66 to 109.21 | |
| Position Strategy: Hold existing partial longs against 100.67 weekly trend. Will exit at 102.71 this week. | | | | | | |
| \$/SWISS 1.0005 | 0.76% | 0.76% | Weekly | NEU | 0.9790 to 1.0175 | Both weekly trend and setup are neutral, with a textbook neutral setup. Supports are weekly/April base at .9895/.9790; resistance is 1.0171. |
| | | | Monthly | DOWN | 0.9790 to 1.0560 | |
| | | | Quarterly | DOWN | 0.8685 to 1.1035 | |
| Position Strategy: Set partial longs at .9895 weekly level and .9790 monthly. Target remains 1.0480/1.0560 for April. | | | | | | |
| Sterling 1.9710 | -0.68% | -0.68% | Weekly | DOWN | 1.9475 to 1.9880 | Weekly trend is bearish, with the cleanest directional bias for the week. Resistance is 1.9870/80 trend to 1.9910 Q2 level. The breakdown level under 1.9630 Q2 support. |
| | | | Monthly | NEU | 1.9475 to 2.0075 | |
| | | | Quarterly | NEU | 1.8975 to 2.0895 | |
| Position Strategy: Add/hold shorts against 1.9870/80 and 1.9910. Target is 1.9475. | | | | | | |
| Euro 1.5830 | 0.29% | 0.29% | Weekly | UP | 1.5375 to 1.5915 | The battle for direction is between bullish weekly trend at 1.5755/20 this week and key April level at 1.5855 (up to weekly breakout at 1.5915).. |
| | | | Monthly | UP | 1.5090 to 1.5855 | |
| | | | Quarterly | UP | 1.4715 to 1.6575 | |
| Position Strategy: Hold existing shorts (1.5830 average) against 1.5915 for the week. Cover at 1.5530. 1.5375 and 1.5090 April uptrend. | | | | | | |
| \$/CAD 1.0230 | -0.36% | -0.36% | Weekly | UP | 1.0103 to 1.0336 | Weekly trend is still trend higher, but with overall neutral setup this week. Main resistance is April zone from 1.0336 to 1.0367/68 to 1.0419 - all sell levels. |
| | | | Monthly | NEU | 0.9759 to 1.0368 | |
| | | | Quarterly | DOWN | 0.9700 to 1.0368 | |
| Position Strategy: Will scale into shorts at 1.0336, 1.0367/68 and 1.0419. | | | | | | |
| Aussie 0.9299 | 1.74% | 1.74% | Weekly | NEU | 0.9197 to 0.9439 | Weekly trend leans bullish above .9197/86 this week, and there is larger intraweek risk to the upside, with gap from .9315 to .9439/66. |
| | | | Monthly | UP | 0.9037 to 0.9439 | |
| | | | Quarterly | UP | 0.8465 to 0.9594 | |
| Position Strategy: Set longs against the .9197/86 weekly trend. Target is the April/weekly zone at .9439/66. | | | | | | |
| MXP (Peso) 10.5335 | -0.94% | -0.94% | Weekly | DOWN | 10.4775 to 10.6116 | Still in breakdown mode here, headed for 10.3936 this month and 10.2176 for Q2. Bearish weekly trend intersects at 10.6116 this week. |
| | | | Monthly | DOWN | 10.3936 to 10.7812 | |
| | | | Quarterly | NEU | 10.2176 to 10.8660 | |
| Position Strategy: Add shorts on strength to the weekly trend zone at 10.6116 to 10.6351. Cover shorts at April target of 10.3936. | | | | | | |
| Bullish | Neutral | Bearish | | | | |









