

FX Technicals

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OVERVIEW: A true mixed bag in the USD heading into employment. The most directional picture is Sterling, with an open-ended weekly setup forming under 1.9630/90 and no fixed long-term support until 1.9120. Bearish daily trend is also at 1.9600 today. \$/CAD is also trying to breakout to the upside and it too has open-ended upside risk above 1.0039 next week. But a key June/Q3 zone at 1.0160/66 remains in play for the weekly close. Elsewhere, the rally in \$/JPY faces Q3/June resistance at 106.35/82; Euro is still neutral from 1.5430/05 to 1.5610/25; Aussie has tentative weekly setup from .9498 to .9624.



JPY/USD, Previous NY Close – 105.80
Daily Resistance – 107.53; 108.35
Daily Support – 105.67; **105.31/21**; 104.85

Weekly Resistance – **105.85; 106.35; 106.82/107.03**
Weekly Support – 105.25; **104.57/51**; 102.53/50

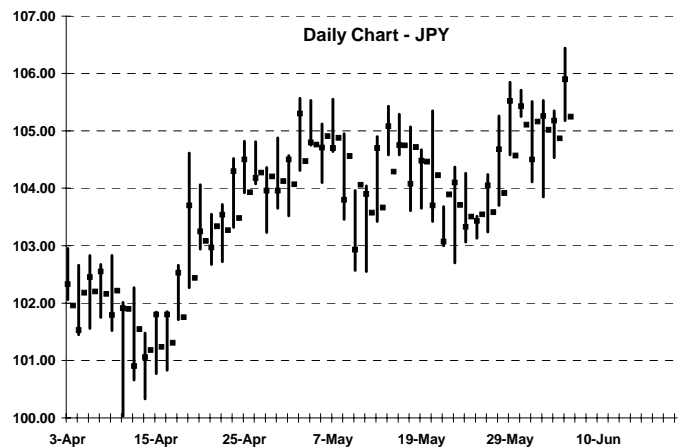
Projected Daily Range – 105.31 to 106.35

Projected Weekly Range – 103.56 to 106.35

Weekly Outlook – Neutral. The battle setting up for next week looks to be between bullish-leaning weekly trend forming at 104.57/51 and the longer-term resistance at 106.35 (Q3) and 106.82 (June). A weekly level is also at 107.03, before upside turns open to the monthly extreme at 112.14. Supports for the week are developing at 105.25, 104.57/51 trend and the monthly base at 102.53/50. Strategy remains to add/hold shorts against 106.82 for rotation back to 102.53/50. Above 107 is more bullish.

Daily Comments – Neutral to bullish. Daily momentum can turn bullish with settle above 105.31/21 today – an area that matches up with first weekly support at 105.25. The setup is neutral to bullish. Resistance is Q3 level at 106.35 and June level at 106.82. Supports under 105.31/21 drop to 104.85 and developing weekly trend at 104.57/51. Expecting a 105.31/21 to 106.35 day range.

Position Strategy: Currently 75% short at 105.98 average after adding shorts at 106.35 Thursday. Add to 100% short at 106.82 – stop on close above 107.03. Cover 1/3rd of current short (25%) at 104.57/51 weekly trend; rest at 102.53/50 June base.



CHF/USD, Previous NY Close – 1.0375
Daily Resistance – 1.0450; 1.0600
Daily Support – 1.0345; 1.0280; **1.0260**

Weekly Resistance – 1.0510; 1.0540; **1.0715/85**
Weekly Support – 1.0320; **1.0250/20**; 1.0015

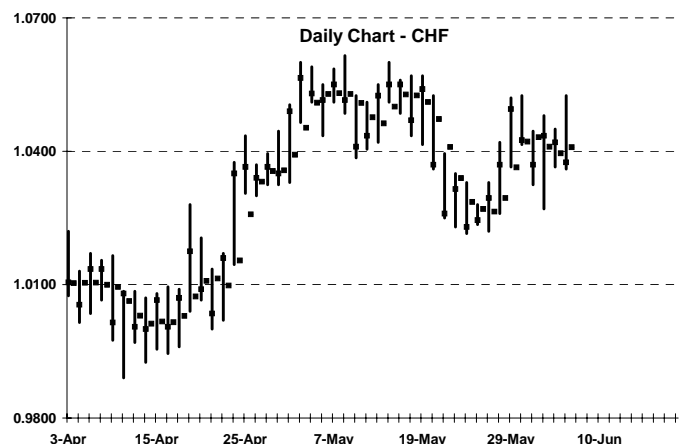
Projected Daily Range – 1.0280 to 1.0450

Projected Weekly Range – 1.0250 to 1.0595

Weekly Outlook – Neutral. There has been no resolution so far, with the initial June boundaries at 1.0250/25 and 1.0540 both holding. Weekly trend and setup look to stay neutral for next week. Developing weekly resistance is 1.0505, then 1.0540, before jump to the Q3/June sell zone at 1.0715 to 1.0785. Weekly supports are forming at 1.0320 and 1.0220, with the monthly base at 1.0250/25 as well. Under 1.0200 sees minimum drop to 1.0015. Will add partial longs against 1.0250/20; wait to sell 1.0715/85.

Daily Comments – Bearish to neutral. Daily trend did turn trend down with Thursday's weak close. But the outside range – and weekly/June supports below – leave an overall neutral day setup. Supports are 1.0320, 1.0280 and day/June zone at 1.0260/50 to 1.0225/20. Resistance is 1.0450 and 1.0540 June level. Expecting a 1.0450 to 1.0280 day.

Position Strategy: Currently 25% long at 1.0215/00. On weakness, add to 50% long at 1.0250/25 – stop on close under 1.0220. On strength, exit longs at 1.0540. Day Trade: sell 1.0450 and 1.0505; cover shorts at 1.0280; buy 1.0260/50.





Pound, Previous NY Close – 1.9580
 Daily Resistance – 1.9590/1.9600; **1.9640**
 Daily Support – 1.9515; 1.9390

Weekly Resistance – 1.9630; **1.9685/90**; 1.9765/90; 1.9870
 Weekly Support – 1.9240; **1.9120**

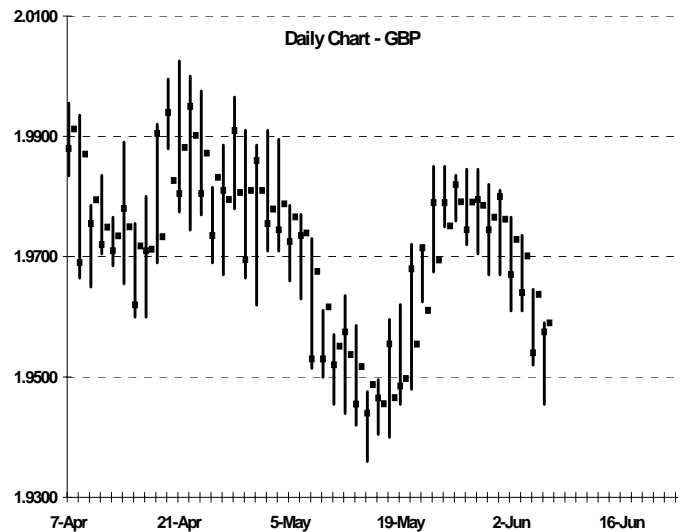
Projected Daily Range – 1.9480 to 1.9630

Projected Weekly Range – 1.9490 to 1.9870

Weekly Outlook – Neutral to bearish. Weekly trend is going to stay neutral (with potential to reverse bearish under 1.9480 today). More importantly, risk on both the developing weekly and June setups is skewed lower. Developing weekly resistance is 1.9630 and 1.9685/90; June hurdles lie above there at 1.9765, 1.9790 and Q3 level of 1.9870. The closest support next week will be 1.9240, with no monthly level below until 1.9120. Look to set shorts against 1.9685/90 for trade to 1.9120.

Daily Comments – Bearish to neutral. Daily trend is bearish, but with an initially neutral setup today. Initial support is 1.9515 to expiring weekly zone at 1.9490/80. Under there is drop to 1.9390. Resistance is daily trend at 1.9590/1.9600, weekly/day sell zone at 1.9630/40 and second weekly sell structure 1.9685/90. Expecting a 1.9630/40 to 1.9490/80 day range.

Position Strategy: Currently flat. Move to 25% short at 1.9630/40 today; 75% short at 1.9685/90 – stop on close above 1.9700. Target is 1.9120 this month. Day Trade: sell 1.9600 and 1.9630/40; cover at 1.9490/80.



European Currency Unit, Previous NY Close – 1.5590
 Daily Resistance – 1.5610; 1.5700
 Daily Support – 1.5485; 1.5380; 1.5300

Weekly Resistance – 1.5620/25; **1.5750**
 Weekly Support – **1.5440/30**; 1.5405; 1.5115/00

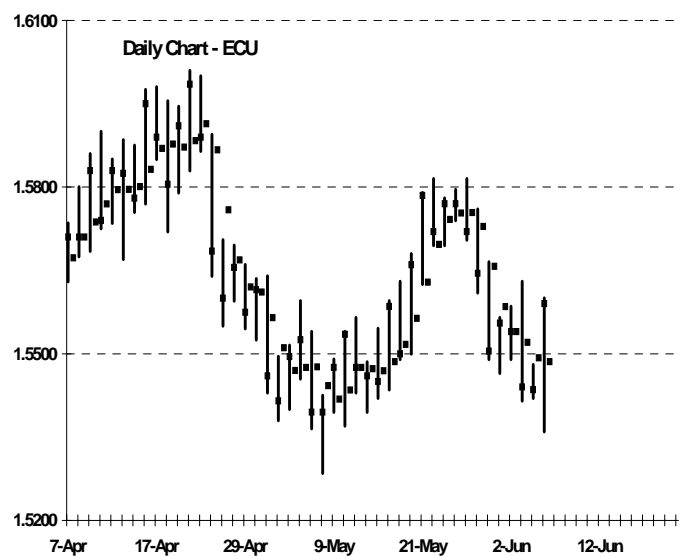
Projected Daily Range – 1.5405 to 1.5625

Projected Weekly Range – 1.5405 to 1.5750

Weekly Outlook – Neutral. The bottom line – at least so far this week - is that Euro has been able to hold above both the monthly and weekly breakdown levels at 1.5430 to 1.5405. Staying above there keeps an overall neutral setup for next week, with resistance forming at 1.5610/20 trend (the monthly trend is also at 1.5620/25), then 1.5755 and 1.5855. But any break under 1.5430/05 sees support drop minimally to 1.5255 for the week and to 1.5115/00 for June. For now, will still wait to set shorts on a break/close under 1.5400.

Daily Comments – Bullish to neutral. Daily trend did reverse bullish Thursday. But the outside range – combined with the weekly/June hurdle at 1.5610/25 – makes for a neutral day range. Resistance is 1.5610/25 (also a day level) and 1.5700. Supports are 1.5485, the developing weekly breakdown level at 1.5405 and 1.5380. Expecting a 1.5610/25 to 1.5405/1.5380 day range.

Position Strategy: Currently flat. Move 50% short on close under 1.5400 (limit 1.5370). The target is 1.5115/00. Day Trade: sell against daily/weekly zone at 1.5610/25; buy weakness to opposing day/weekly support at 1.5405/1.5380.





CAD/USD, Previous NY Close – 1.0176
 Daily Resistance – 1.0230; 1.0257; 1.0396
 Daily Support – 1.0116; 1.0092/91; 1.0009

Weekly Resistance – 1.0246; 1.0332; 1.0473
 Weekly Support – 1.0166/60; 1.0036; .9974/70; .9889

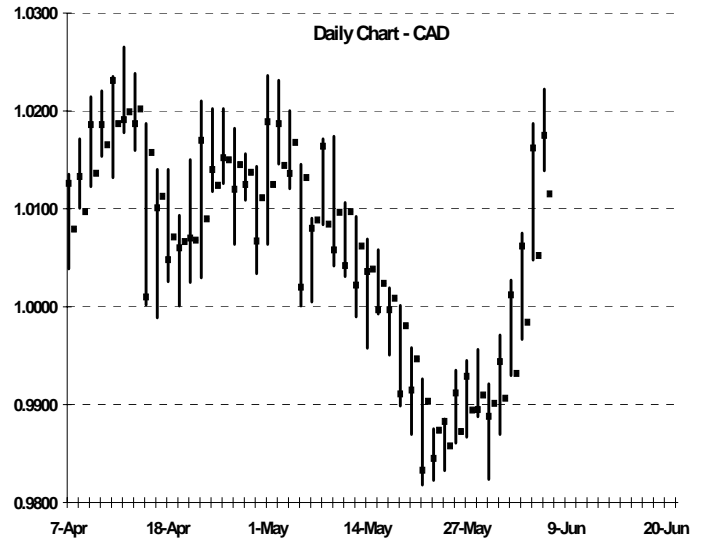
Projected Daily Range – 1.0116 to 1.0230

Projected Weekly Range – .9974 to 1.0332

Weekly Outlook – Bullish. Weekly trend will reverse bullish with any settle above 1.0124 today. At the same time, a close above the combined June/Q3 zone at 1.0160/66 will leave a more bullish long-term picture. Resistance forming for next week is 1.0246, the subsequent June level at 1.0332 and 1.0473. Supports are 1.0036, developing weekly trend zone at .9974/70 and .9889. The focus today is how the USD closes versus the 1.0166/60 Q3/June zone. No new position trade for now.

Daily Comments – Bullish to neutral. Daily trend is securely bullish today, but with a widespread and neutral setup. Main resistance is clustered around the initial weekly level at 1.0246, with day levels at 1.0230 and 1.0257. Supports are 1.0116 uptrend, 1.0092/91 and weekly level at 1.0036. Expecting a 1.0116 to 1.0230/46 day.

Position Strategy: Currently flat after stopping the 1.0160/66 short on the close above there Thursday. No new position trade for now. Day Trade: sell 1.02330/46/57; buy 1.0116 to 1.0092/91.



Australian Dollar, Previous NY Close - .9580
 Daily Resistance - .9606; .9710
 Daily Support - .9557/46; .9512; .9387

Weekly Resistance - .9624; .9713; .9762
 Weekly Support - .9511/.9498; .9445; .9404; .9339

Projected Daily Range – 0.9512 to 0.9606

Projected Weekly Range – 0.9445 to 0.9713

Weekly Outlook – Bullish to neutral. The price action this week has been inconclusive in terms of the next directional move. Weekly trend has so far managed to stay bullish (with Friday close above .9540), but the sideways week leaves an overall neutral and balanced setup forming for next week. Resistance for next week is .9624, .9713 and June breakout level at .9752. Supports are the May/weekly zone at .9511/.9489, .9445 and the June trend base at .9404 to .9339. Will wait to buy .9404/.9339; sell .9762.

Daily Comments – Neutral to bullish. Daily trend can turn bullish with settle above .9557/46 today. But the inside range Thursday leaves a tight setup. Resistance is daily/weekly zone at .9606/24, then jumps to .9710/13. Supports are .9557/46 trend zone, then daily/weekly area at .9512/.9498 and .9445. Expecting a .9512 to .9606 day range.

Position Strategy: Current flat. No hurry to be involved at these levels. Will wait to reset longs at .9404 and .9339; wait to set partial shorts at .9762 June level. Day Trade: buy .9606/24; buy .9512/.9498.

