

FX Technicals

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OVERVIEW: Of the three focus markets for the week - \$/JPY, Sterling and \$/CAD – Sterling was the main mover yesterday. Despite another one of those big boomerang bounces, it remains below the combined Q3/weekly/July resistance at 1.9655/65 to 1.9690. That is the focus for shorts right here, while the breakdown level for the week remains 1.9355. \$/CAD also failed to turn daily trend bullish, suggesting a push lower toward its long-term support base from Q3 level at 1.0169 (cover shorts) to weekly uptrend/July zone at 1.0091/42 (set longs). Aussie remains neutral to bullish as long as it holds above monthly trend at .9339.



JPY/USD, Previous NY Close – 108.12
Daily Resistance – 108.20; 108.78; 109.54
Daily Support – 107.96/93; 107.44/29

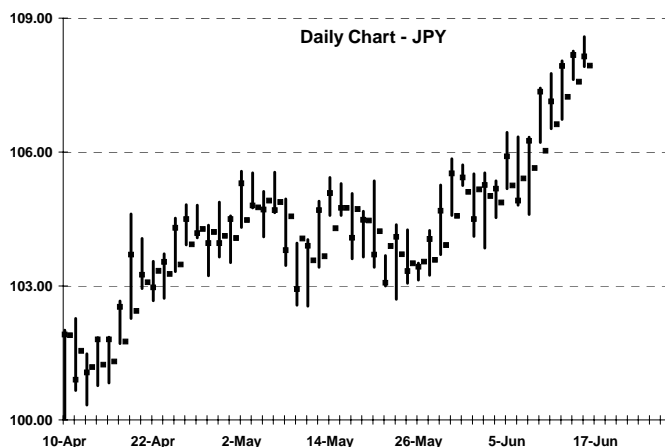
Weekly Resistance – 110.32; 112.14
Weekly Support – 106.64; 105.60/39; 105.27/24; 102.88/80

Projected Daily Range – 107.44 to 108.78

Projected Weekly Range – 105.60 to 110.32

Weekly Outlook – Bullish. No major change on the weekly picture yesterday – although the daily uptrend is starting to tire and is in danger of forcing a short-term correction lower. Supports for the week are the mix of weekly levels – where trend is bullish – and developing July/Q3 supports. Those supports start at 106.64, then extend to weekly trend/July zone at 105.60/39, plus Q3/July zone at 105.27/24. There is no resistance this week until 110.32. Strategy is to scale into longs on weakness to 106.64 and 105.60/24.

Daily Comments – Bullish to neutral. Daily trend is still officially bullish, but slowing. It can turn neutral with settle under 107.96/93 today and the setup for the day is neutral. Resistance is 108.20, 108.78 and 109.54. (There is no weekly level until 110.32.) Supports are 107.96/93 trend, then 107.44/29. Projecting a 108.78 to 107.44 day range.



Position Strategy: Currently flat. Move 33% long at 106.64; 75% long at 105.60; 100% long at 105.27/24 – stop on close under 105.00. The target is 112.14 June level. Day Trade: buy 107.44/29; sell 108.78.



CHF/USD, Previous NY Close – 1.0440
Daily Resistance – 1.0500/05; 1.0645
Daily Support – 1.0440; 1.0365/60; 1.0225

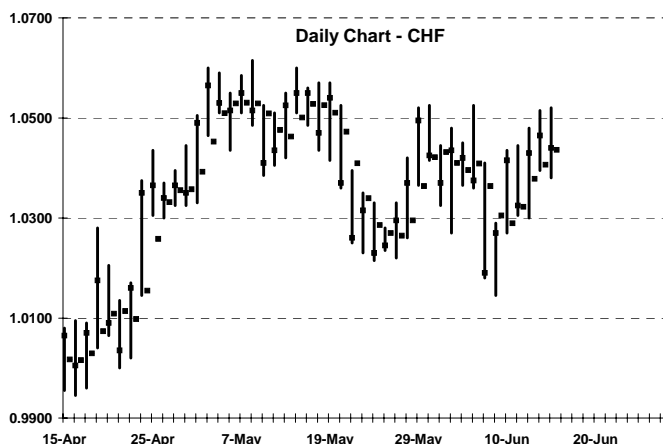
Weekly Resistance – 1.0540/45; 1.0580; 1.0715; 1.0785
Weekly Support – 1.0365; 1.0250/25; 1.0185; 1.0110

Projected Daily Range – 1.0365 to 1.0500

Projected Weekly Range – 1.0225 to 1.0715

Weekly Outlook – Neutral. \$/Swiss remains in a holding pattern, with no clear directional bias either way at this point. Weekly trend is neutral and the setup this week is balanced. Resistance is weekly/June zone at 1.0540/45 to 1.0580. Above there is gap to 1.0715 Q3 level. Supports are 1.0365, June monthly baser at 1.0250/25 and 1.0185 and 1.0110 weekly levels. The modest daily uptrend that has been driving things higher in the short-term turns neutral under 1.0440 today. Strategy is to wait to sell 1.0715/85.

Daily Comments – Bullish to neutral. Daily trend is still marginally bullish, but with overall neutral setup today. Resistance is 1.0500/05 and the weekly hurdles at 1.0540/45 and 1.0580. Key support is combined daily/weekly zone at 1.0365/60, then drop to 1.0250/25. Expecting a 1.0500 to 1.0365 day. Getting under 1.0360 turns more negative.



Position Strategy: Currently flat. Wait to move 33% short at 1.0715; 67% short at 1.0785 – stop on close above 1.0800 Day Trade: sell 1.0500/05; buy 1.0365/60; go with action under 1.0360 (for 1.0250/25 target).



Pound, Previous NY Close – 1.9630
 Daily Resistance – 1.9855
 Daily Support – 1.9580; 1.9520/15; 1.9405

Weekly Resistance – 1.9655/65; 1.9690; 1.9835; 1.9870
 Weekly Support – 1.9355; 1.9120

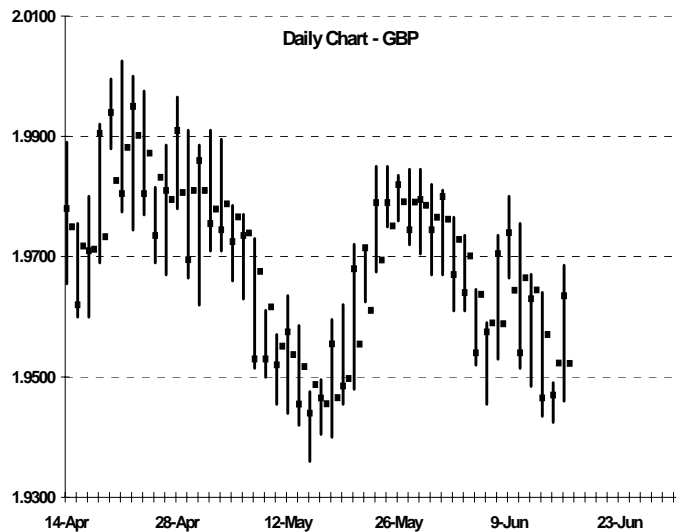
Projected Daily Range – 1.9520 to 1.9690

Projected Weekly Range – 1.9120 to 1.9690

Weekly Outlook – Bearish. Monday saw another wild boomerang trade in Sterling – but still within resistance boundaries at the key developing Q3/July zone from 1.9615 to 1.9655/65 to 1.9690. That trio remains the sell zone for potentially larger downside this week. Lone nearby weekly support is 1.9355, before drop to the July extreme at 1.9120. Above 1.9690 sees jump to 1.9835 and second Q3 level at 1.9870. Strategy is to hold existing shorts against 1.9700 for 1.9120 target.

Daily Comments – Neutral. Sterling presents an interesting daily setup, where trend reversed bullish Monday but at the same time Cable faces the key weekly/July/Q3 resistance at 1.9655/65 to 1.9690. The result should be a neutral day range. Above there is jump to 1.9835/55. Supports are 1.9580, 1.9520/15 daily trend and 1.9405. Expecting a 1.9690 to 1.9520/15 day range.

Position Strategy: Currently 100% short at 1.9665 after adding shorts Monday. Stop on close above 1.9700. Day Trade: sell against 1.9655/65 and 1.9690; buy weakness to 1.9520/15 trend.



European Currency Unit, Previous NY Close – 1.5475
 Daily Resistance – 1.5505; 1.5585; 1.5750
 Daily Support – 1.5390; 1.5325; 1.5225

Weekly Resistance – 1.5585; 1.5865; 1.5910/60
 Weekly Support – 1.5320; 1.5240; 1.5115/00

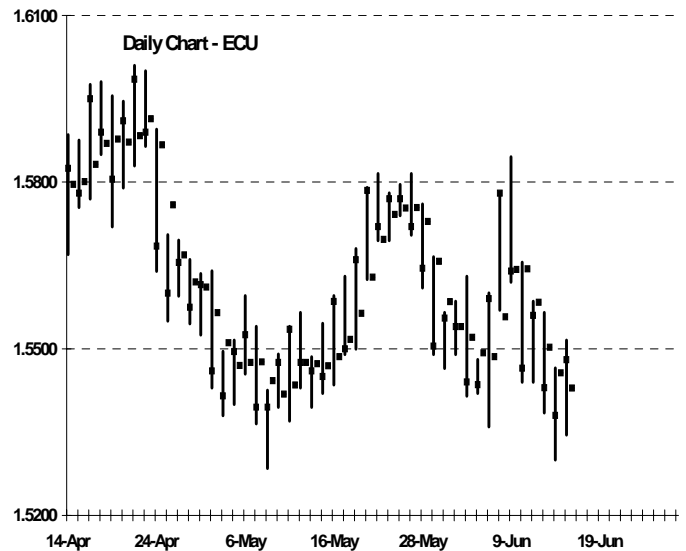
Projected Daily Range – 1.5390 to 1.5585

Projected Weekly Range – 1.5115 to 1.5585

Weekly Outlook – Neutral. Euro continues to bounce around within a balanced intermediate setup. The lone change Monday was the neutral upturn in daily trend from bearish to neutral. Resistance for the week remains at 1.5585, then jumps to 1.5865 and the weekly/June/July area from 1.5910/60. Supports for the week are 1.5320 and 1.5240, before the drop to Q3 developing trend base at 1.5115/00. Still projecting a 1.5585 to 1.5115 week – expect test to 1.5585 today. Lacking direction, strategy for now is conservative – wait to buy 1.5115/00.

Daily Comments – Neutral. Daily trend turned from bearish to neutral with the rally Monday. But the setup today is contained and expected to stay range bound. Resistance is 1.5505 and daily/weekly level at 1.5585, before jump to 1.5750. Supports are 1.5390 and daily/weekly zone at 1.5325/20. Looking for a 1.5390 to 1.5585 day range.

Position Strategy: Currently flat. On weakness, will wait to move 50% long at 1.5115/00 – stop on close under 1.5100. Day Trade: sell strength against 1.5585; buy weakness to 1.5325/20 and 1.5240.





CAD/USD, Previous NY Close – 1.0224
 Daily Resistance – 1.0240; 1.0288; 1.0303
 Daily Support – 1.0184/82; 1.0107

Weekly Resistance – 1.0332; 1.0362; 1.0424
 Weekly Support – 1.0169; 1.0091/70; 1.0042; .9925

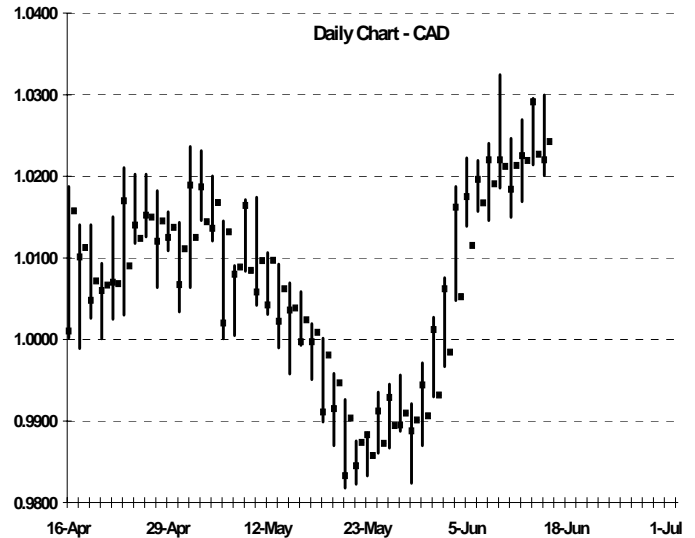
Projected Daily Range – 1.0169 to 1.0288

Projected Weekly Range – 1.0091 to 1.0362

Weekly Outlook – Bullish to neutral. No major changes Monday. Weekly trend leans bullish (above 1.0091) this week, and the developing Q3 and July setups both point increasingly higher. For the week, however, a widespread setup argues for more two-way trade. Supports are first Q3 level at 1.0169, then the weekly/July buy zone from 1.0191/70 to 1.0042. Resistance for the week is 1.0332 and 1.0362 weekly level. Strategy is to buy cover existing shorts at 1.0169; buy weakness to 1.0191/70/42.

Daily Comments – Neutral. Daily trend stayed neutral Monday, failing to turn bullish with the setback. The resulting setup is neutral as well. Main support is the combined daily and Q3 zone at 1.0184/82 to 1.0169. Under there is drop to 1.0107. Resistance today is 1.0240, 1.0288 and 1.0303. Expecting a two-way day from 1.0169 to 1.0288.

Position Strategy: Currently 50% short at 1.0323/32. Stop on close above 1.0362. Cover shorts at the 1.0169 Q3 level; move to 50% long at 1.0091/70; 100% long at 1.0042 – stop on close under 1.0020.



Australian Dollar, Previous NY Close - .9408
 Daily Resistance - .9435; .9511
 Daily Support - .9404; .9383/79; .9344

Weekly Resistance - .9421; .9534; .9651; .9762
 Weekly Support - .9339; .9175; .9107

Projected Daily Range – 0.9379 to 0.9435

Projected Weekly Range – 0.9339 to 0.9529

Weekly Outlook – Neutral to bearish. The intermediate focus this week is still on the monthly uptrend at .9339. As long as it holds – and Monday's neutral upturn in daily trend is the first objective sign – the overall setup is neutral. Resistance for the week is initial level at .9421, then the primary weekly target at .9534. Conversely, if .9229 gives way, support drops to the .9175 for the week and developing Q3 uptrend at .9107. Strategy is to hold existing long against .9339 to exit at .9534.

Daily Comments – Neutral. Daily momentum managed to turn neutral with the rally Monday. The setup today is neutral to potentially positive. Supports are .9404, .9383/79 and the combined daily/June uptrend at .9344/39. Initial resistance is weekly/day zone at .9421/35, with jump above to .9511. Expecting a .9379 to .9435 day – with extension risk above there.

Position Strategy: Current 50% long at .9370 average from last week. Stop on close under .9339 or intraday break of .9310. Target to exit is .9533 this week. Day Trade: buy .9383/79 and .9344/39; exit day longs at .9435.

