

FX Technicals

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OVERVIEW: The focus right now is on the short-term corrections lower in the USD that are headed for either weekly uptrend or developing July supports. The primary candidates are \$/JPY backing up to its weekly uptrend at 106.41/40 (with July base at 105.24/104.91); \$/CAD approaching its July/weekly base at 1.0042/20; and Aussie working higher to its July sell level at .9570. All are places to structure US\$ longs against. Sterling continues its difficult price action. Yesterday's settle above the July/Q3 trio at 1.9610 to 1.9690 leaves a more neutral situation - but with another round of longer-term resistance to come at 1.9800/70 (weekly/Q3).



JPY/USD, Previous NY Close – 107.95
Daily Resistance – 108.39/47
Daily Support – 107.80/67; 107.05; **106.33**

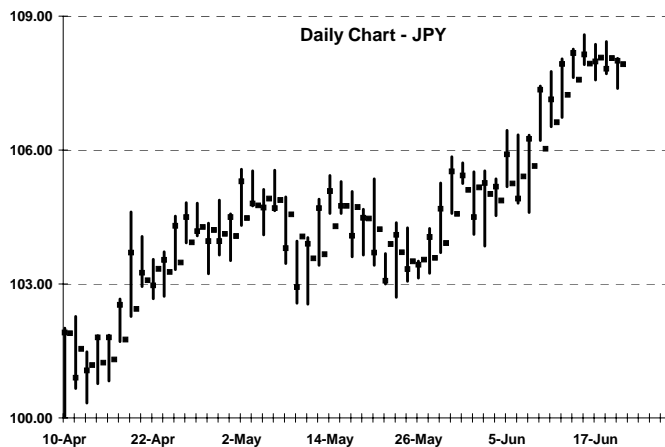
Weekly Resistance – 110.14; 112.14
Weekly Support – **106.41/40**; 106.00; 105.24/104.91

Projected Daily Range – 107.67 to 108.47

Projected Weekly Range – 106.40 to 110.14

Weekly Outlook – Bullish to neutral. Weekly trend is expected to stay bullish, but with a neutral to bullish setup forming for next week. Supports for the week are developing trend at 106.41/40, second weekly level at 106.00 and the combined July base at 105.24 to 104.91. The July setup is open-ended above there. Resistance for the week is developing at 108.78, then 110.14. Given both the weekly and July bias, strategy is to set partial longs against 106.41/40 trend; if stopped will reset at 105.24/104.91.

Daily Comments – Neutral. Daily trend remains neutral from Wednesday's downtrend. There is no lean either way today. The setup is neutral. Supports are 107.80/67, 107.05 and the weekly trend buy level at 106.41/40. Day resistance is 108.39/47, but with jump above there to first fixed weekly level at 110.14. Projecting a 107.67 to 108.47 day range.



Position Strategy: Currently flat. Move 50% long at 106.41/40 – stop on close under 106.00 today. If stopped, will reset at 105.24/104.91 July zone. Day Trade: buy 107.80/67 and 107.05; exit day longs at 108.39/47.



CHF/USD, Previous NY Close – 1.0460
Daily Resistance – 1.0480; **1.0505**; 1.0595
Daily Support – 1.0345; 1.0275

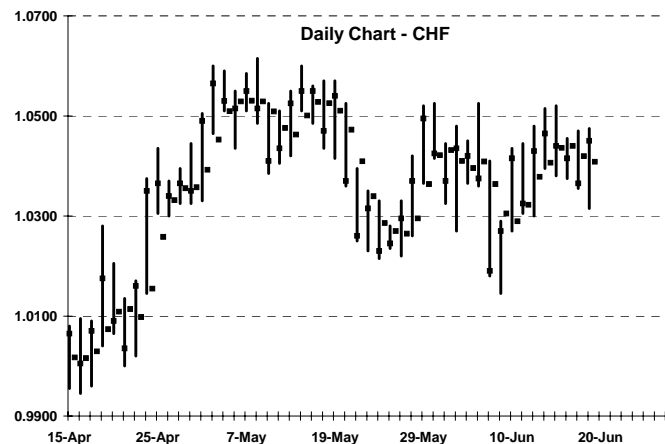
Weekly Resistance – 1.0485/1.0505; **1.0620**; 1.0715
Weekly Support – 1.0370; 1.0220; **1.0120**

Projected Daily Range – 1.0345 to 1.0505

Projected Weekly Range – 1.0225 to 1.0540

Weekly Outlook – Neutral. The weekly picture in \$/Swiss remains neutral, with lots of noise to both sides. The larger boundaries on the market come from the developing July/Q3 parameters. Above the market, that is the July level at 1.0620 and Q3 downtrend at 1.0715. Below the market, it is July zone at 1.0120 to 1.0075. Weekly resistance at 1.0485/1.0505 and supports at 1.0370 and 1.0220 lie within there, but neither are actionable levels. Next trade is to wait to set shorts against 1.0715.

Daily Comments – Neutral. Daily trend stayed neutral with Thursday's rally, failing to turn bearish. The outside range – and the presence of weekly resistance at 1.0484/1.0505 – makes for a neutral setup as well. Resistance is 1.0480/1.0505, then 1.0595 and July level at 1.0620. Supports are 1.0345 and 1.0275. Expecting a two-way day from 1.0505 high to 1.0345 low.



Position Strategy: Currently flat. Will move 50% short at 1.0715 – stop on close above 1.0785 for now. Day Trade: buy against 1.0345; exit day longs at 1.0485/1.0505.



Pound, Previous NY Close – 1.9725
 Daily Resistance – 1.9890; 2.0025
 Daily Support – 1.9675; 1.9640; **1.9610**; 1.9540

Weekly Resistance – 1.9800; **1.9870**; 2.0095
 Weekly Support – **1.9690/65**; 1.9505; 1.9420

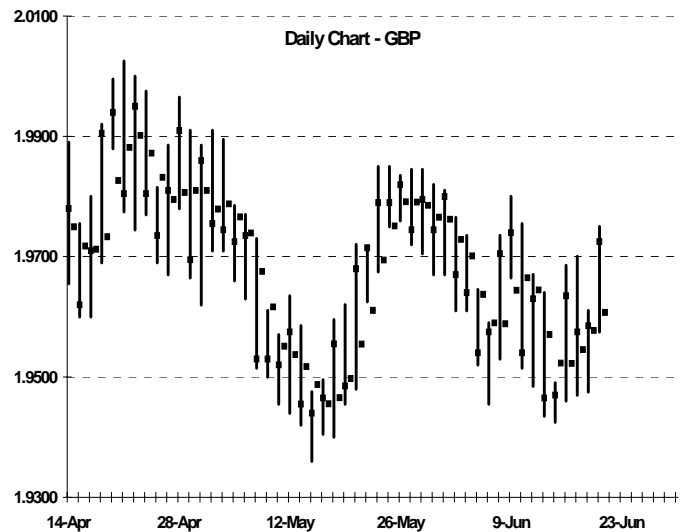
Projected Daily Range – 1.9640 to 1.9800

Projected Weekly Range – 1.9120 to 1.9690

Weekly Outlook – Neutral. This week's rally back above the trio of July/Q3 levels at 1.9610, 1.9665 and 1.9690 puts the situation back to neutral here – but does not yet turn it bullish. The setup for next week looks neutral, with more upside resistance to come at 1.9800 for the week and developing Q3 hurdle of 1.9870. Thru there does turn more positive, with minimum upside to 2.0095 for the week. Supports – besides the still-in-play Q3/July trio – are 1.9505 and 1.9420. Expecting 1.9800/70 to 1.9420 trade next week. Will reset partial shorts at 1.9800/70.

Daily Comments – Bullish to neutral. Daily trend is bullish, but offset by further weekly and longer-term resistance at 1.9800 and 1.9870 today. Supports today are 1.9675, 1.9640 and the daily uptrend at 1.9610. Expecting a 1.9640 to 1.9800 day range.

Position Strategy: Currently flat after stopping the 1.9665 short on the close above 1.9700. Will reset to 25% short at 1.9800; 50% short at 1.9870 – stop on close above 1.9870. Day Trade: buy 1.9640/10; sell 1.9800 and 1.9870.



European Currency Unit, Previous NY Close – 1.5495
 Daily Resistance – 1.5555; 1.5630
 Daily Support – 1.5470; 1.5435; **1.5390**

Weekly Resistance – 1.5870/80; 1.6085
 Weekly Support – **1.5490**; 1.5390; 1.5325/10; 1.5115

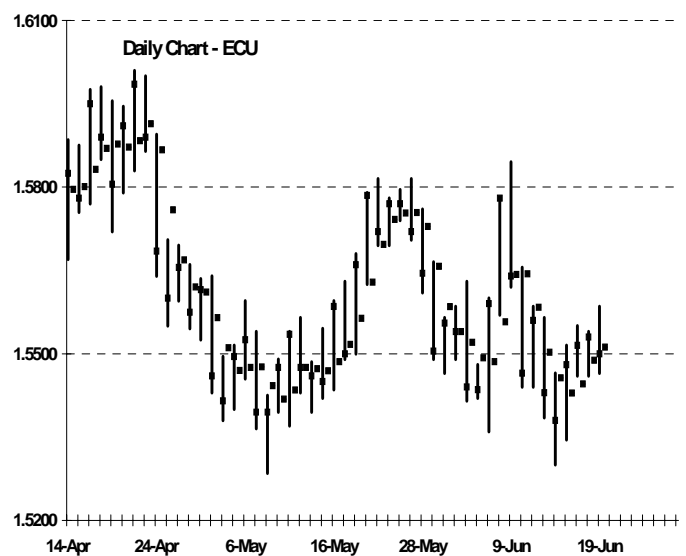
Projected Daily Range – 1.5435 to 1.5555

Projected Weekly Range – 1.5325 to 1.5880

Weekly Outlook – Neutral. Weekly trend is going to stay neutral for next week, but with a widespread and potentially unstable setup for next week. The bigger risk appears to be to the upside. The main level in play for the weekly close is 1.5490. Any settle above there leaves no resistance until 1.5870/80, then July level at 1.6085. Supports under 1.5490 are not nearly as deep, with weekly levels at 1.5390 and 1.5325/10, then drop to Q3 trend at 1.5115. Expecting a 1.5325 to 1.5870/80 range action. No new position trade for now.

Daily Comments – Bullish to neutral. Daily momentum stayed marginally bullish Thursday. But the widespread action Thursday leaves a neutral setup today. Resistance is 1.5555 and 1.5630. Supports are 1.5470, 1.5435 and weekly level at 1.5390. This does not look like a major directional setup - expecting a 1.5435 to 1.5555 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: buy weakness to 1.5435 and 1.5390; exit day longs at 1.5555 and 1.5630.





CAD/USD, Previous NY Close – 1.0148
 Daily Resistance – 1.0160/61; **1.0175**; 1.0214
 Daily Support – **1.0060**; 1.0006

Weekly Resistance – **1.0255/68**; **1.0275**; 1.0332
 Weekly Support – 1.0078; **1.0042/20**; .9925

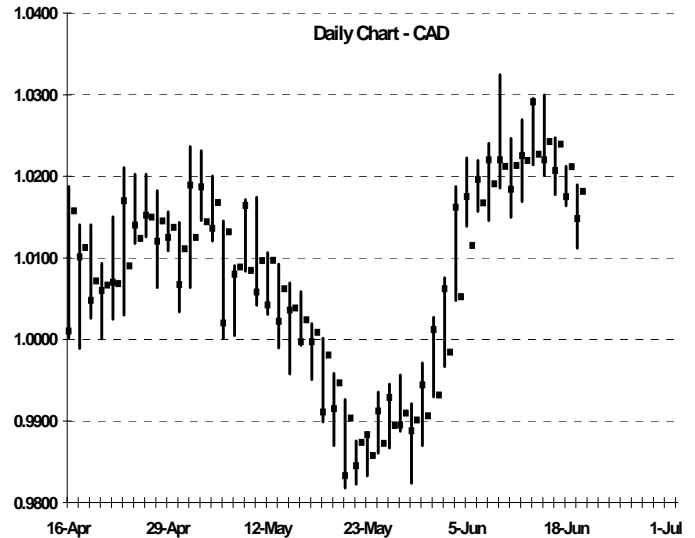
Projected Daily Range – 1.0078 to 1.0175

Projected Weekly Range – 1.0042 to 1.0268

Weekly Outlook – Bullish to neutral. Weekly trend should stay bullish with settle above 1.0091 today. But the overall setup for next week looks neutral between competing weekly/July boundaries to both sides. Supports are 1.0078 and the developing July/weekly zone at 1.0042/20. Under there is drop to .9925. Resistance is combined weekly/July/Q3 area at 1.0255/68/75, then the expiring June level at 1.0332. Expecting a 1.0042/20 to 1.0255/75 range action for now. Will set longs on weakness against 1.0042/20.

Daily Comments – Bearish. Daily trend remains bearish and \$/CAD is still working in a correction lower. The day setup points lower. Resistance is 1.0160/61, daily trend at 1.0175 and 1.0214. Closest support is weekly/day zone at 1.0078/60 and the July/weekly buy zone at 1.0042/20. Expect a 1.0175 to 1.0078 day.

Position Strategy: Currently flat. On weakness, move to 50% long at 1.0042/20 – stop on close under 1.0010. Day Trade: sell against daily trend at 1.0160/61 to 1.0175; cover day shorts at 1.0078/60; buy 1.0042/20.



Australian Dollar, Previous NY Close - .9512
 Daily Resistance - **.9558**; .9629
 Daily Support - .9470/67; **.9452**; .9396

Weekly Resistance - **.9570**; .9648
 Weekly Support - .9481; .9387/81; **.9339**; .9175

Projected Daily Range – 0.9467 to 0.9558

Projected Weekly Range – 0.9339 to 0.9570

Weekly Outlook – Neutral. Aussie has done a great job holding above bullish monthly trend at .9339 thru the week, and should stay neutral for the week ahead. But there is more resistance approaching from above. The setup for next week looks balanced. Resistance is forming at the July level of .9570 and weekly level of .9648. Supports for the week are down at .9387/81 and .9339 June trend. In between is a weekly pivot at .9481. Strategy is to exit the remainder of longs and reverse into partial shorts against .9570.

Daily Comments – Bullish to neutral. Today's trade is a nice balance between bullish daily trend at .9470/67 to .9452 and the key July resistance level at .9570 (with daily level at .9558 ahead of there). Projecting daily trade between there from .9470/67 to .9558/70 high.

Position Strategy: Current 25% long at .9370 average after exiting ½ at .9488/93 Thursday. Exit the rest and reverse to 50% short at .9558/70 July level. Stop new shorts on close above .9570.

