

FX Technicals

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OVERVIEW: Sterling continues to breakdown in slow, but steady fashion. The week's action under the June pivot area at 1.9765/90 to 1.9870, the close under bullish-leaning weekly trend at 1.9660/55 and open-ended downside on the developing weekly chart below 1.9645/85 all point lower. Will look to set partial shorts against 1.9645/85 for decline to monthly base at 1.9120. Euro has a similar intramonth breakdown gap under June/weekly zone at 1.5430/05 to 1.5115/00. The other major trade yesterday was the push higher in \$/CAD, challenging the June/Q3 resistance/sell structure at 1.0160/66.



JPY/USD, Previous NY Close – 105.18
Daily Resistance – 105.21; 106.73
Daily Support – 105.09/05; 104.37; 103.53

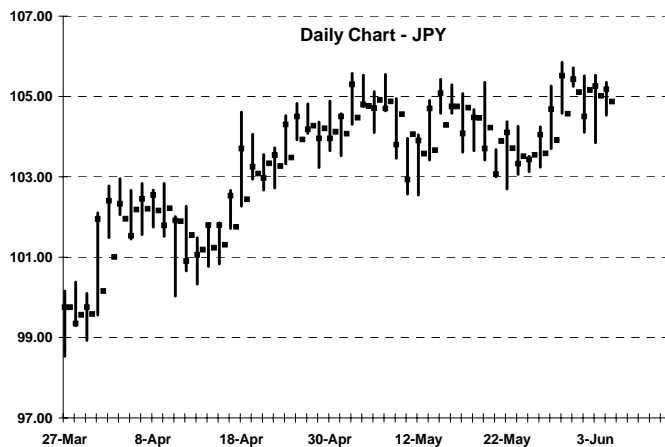
Weekly Resistance – 105.54; 105.85; 106.35/82
Weekly Support – 104.57/44; 103.56; 102.54/50; 101.15

Projected Daily Range – 104.37 to 105.54

Projected Weekly Range – 103.56 to 106.35

Weekly Outlook – Neutral. The tight, inside range this week hasn't changed much here. Weekly trend is going to stay neutral (though it can lean bullish above 104.57/44 next week), with an overall neutral setup. The fact the resistance barrier is comprised of longer-term levels – 105.54 June hurdle, 105.85 Q2 and 106.35/82 Q3/June zone – keeps it unchanged. Supports for next week are forming at 104.57/44 trend, 103.35 and 102.53/50 monthly trend. Will add/hold shorts against 106.35/82; cover at 102.50.

Daily Comments – Neutral. Daily trend is still neutral and the setup today is largely balanced. Main support is the combined developing weekly/day zone from 104.57 to 104.44/37. Under there is drop to 103.56/53. Day resistance is 105.21, then the June level at 105.54 and Q2 level at 105.85. Expecting a two-way day from 104.57/37 to 105.54.



Position Strategy: Currently 50% short at 105.69 average. Add to 75% short at 106.35; 100% short at 106.82 – stop on close above. Cover shorts at 102.54/50 this week. Day Trade: sell 105.21 and 105.54; buy 104.44/33.



CHF/USD, Previous NY Close – 1.0410
Daily Resistance – 1.0415/20; 1.0460; 1.0630
Daily Support – 1.0330; 1.0250

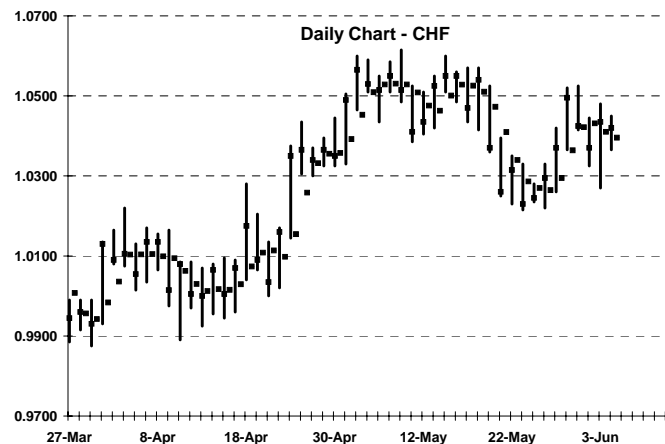
Weekly Resistance – 1.0500; 1.0540; 1.0595 1.0715/85
Weekly Support – 1.0320; 1.0250/20; .9985

Projected Daily Range – 1.0330 to 1.0460

Projected Weekly Range – 1.0250 to 1.0595

Weekly Outlook – Neutral. Still no change here, with both weekly trend and setup looking to remain neutral and balanced for next week. Resistance is forming at 1.0500 for the week, with the initial June hurdle still at 1.0540. Getting above there triggers upside extension to the larger Q3/June sell zone at 1.0715 to 1.0785. Support for next week is 1.0320, the monthly trend base for June at 1.0250/25 and 1.0015. Expecting more range action from 1.0250/20 to 1.0540.

Daily Comments – Neutral to bearish. Daily trend does lean bearish today, but with an overall neutral setup that should likely produce two-way trade. Main support is combined daily/developing weekly zone at 1.0330/20 and the 1.0250 June buy level. Resistance is 1.0415/20, 1.0460 and developing weekly level at 1.0500. Projecting a 1.0330/20 to 1.0460 day range.



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: buy 1.0330/20; exit day longs at 1.0460 and 1.0500.



Pound, Previous NY Close – 1.9550
 Daily Resistance – 1.9555; **1.9630/35**; **1.9680**
 Daily Support – 1.9430; 1.9305

Weekly Resistance – 1.9645; 1.9685/95; **1.9765/90**; **1.9870**
 Weekly Support – 1.9490/80; **1.9120**

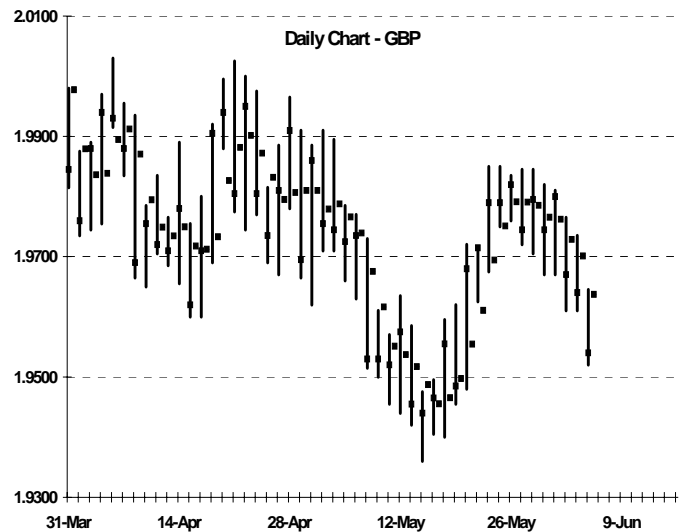
Projected Daily Range – 1.9490 to 1.9630

Projected Weekly Range – 1.9490 to 1.9870

Weekly Outlook – Neutral to bearish. Sterling is starting to breakdown in earnest once again. The market is now well under the pivotal June zone at 1.9765/90 to 1.9870, weekly trend is going to stay neutral with any settle under 1.9660/55 Friday, and the developing weekly setup is open-ended below 1.9645. Although there remains a current weekly extreme at 1.9490/80, the likely target is June level at 1.9120. Resistance for next week is 1.9645, 1.9685/95 and June levels at 1.9765/90 and 1.9870. Will sell 1.9645/95 for now.

Daily Comments – Neutral to bearish. Daily trend can turn bearish with settle under 1.9630/35 today, and the setup points lower. Resistance is 1.9555, then combined daily/weekly sell zones at 1.9630/45 and 1.9680/95. Main support is 1.9490/80, then 1.9430. Expecting a 1.9630 to 1.9490/80 day.

Position Strategy: Currently flat. Move to 50% short at 1.9630/45; 100% short at 1.9680/95 – stop on close above 1.9700. Target is 1.9120 this month. Day Trade: sell 1.9630/45; cover at 1.9490/80.



European Currency Unit, Previous NY Close – 1.5435
 Daily Resistance – **1.5490**/1.5505; 1.5545/65
 Daily Support – 1.5425; 1.5350; 1.5250

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

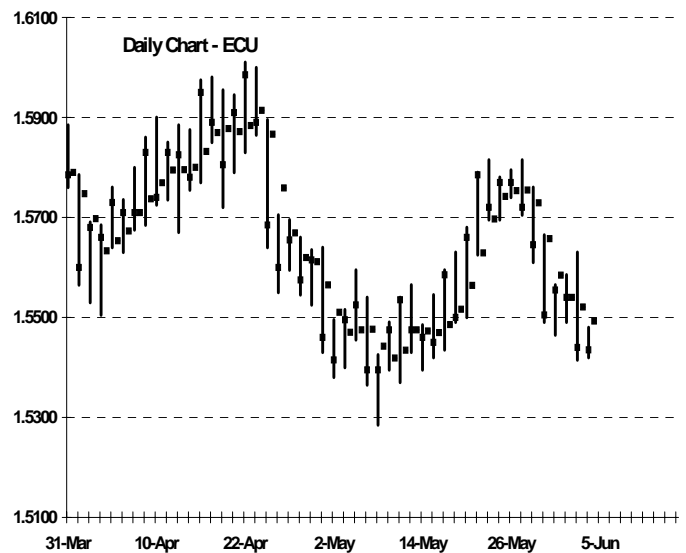
Projected Daily Range – 1.5350 to 1.5490

Projected Weekly Range – 1.5400 to 1.5750

Weekly Outlook – Neutral. So far, Euro has managed to stay north of its weekly/June breakdown zone at 1.5440/00. That area will once again be in play next week, with the June level at 1.5430 and a fixed weekly at 1.5405, before downside turns open-ended to the Q3/June base at 1.5115/00. Resistance for next week is at 1.5595/1.5600, the June trend zone at 1.5620/25 and 1.5755. Still a battle between 1.5625 and 1.5430/05 for now – but with expectation of a breakdown under 1.5400. Will sell a break/close under 1.5405.

Daily Comments – Bearish to neutral. Daily trend is still bearish here, but needs to get under the combined June/weekly zone at 1.5430 to 1.5405/00 in order to breakdown. A day level is under there at 1.5350 today. Resistance is 1.5490/1.5505 daily trend and 1.5545/65. Expecting a sideways to lower day from 1.5490 to 1.5350.

Position Strategy: Currently flat. Move 50% short on close under 1.5400 (limit 1.5370). The target is 1.5115/00. Day Trade: sell 1.5490/1.5505; also go with break under 1.5405/00.





CAD/USD, Previous NY Close – 1.0162
 Daily Resistance – 1.0299; 1.0335
 Daily Support – 1.0129; 1.0055/52; 1.0021

Projected Daily Range – 1.0055 to 1.0166

Weekly Outlook – Neutral. This has been a powerful rally in \$/CAD this week that has the potential to reverse weekly trend bullish with settle above 1.0124 this Friday. Still, until the market sustains above the combined June and developing Q3 resistance at 1.0160/66, the setup is neutral. That remains the primary sell zone. A close above there sees gap to 1.0246 next week and 1.0332 for June. Supports for next week are 1.0036 and .9978/62 developing weekly trend. Hold shorts against 1.0166.

Daily Comments – Bullish to neutral. The day trade is a battle between bullish daily trend at 1.0055/52 and the key Q3/June hurdle at 1.0160/66. If that is cleared, intraday upside jumps to 1.0246 and 1.0299. Initial support is 1.0129, with the daily trend/weekly zone at 1.0055/36. Expect a 1.0166 to 1.0055 day range.

Position Strategy: Currently 50% short at 1.0160/66 June/Q3 zone from late Wednesday. Stop on close above 1.0166. Day Trade: sell 1.0166 and 1.0246, separately; buy 1.0055/52/36.



Australian Dollar, Previous NY Close - .9577
 Daily Resistance - .9627; .9652; .9744
 Daily Support - .9548; .9471; .9426

Projected Daily Range – 0.9522 to 0.9627

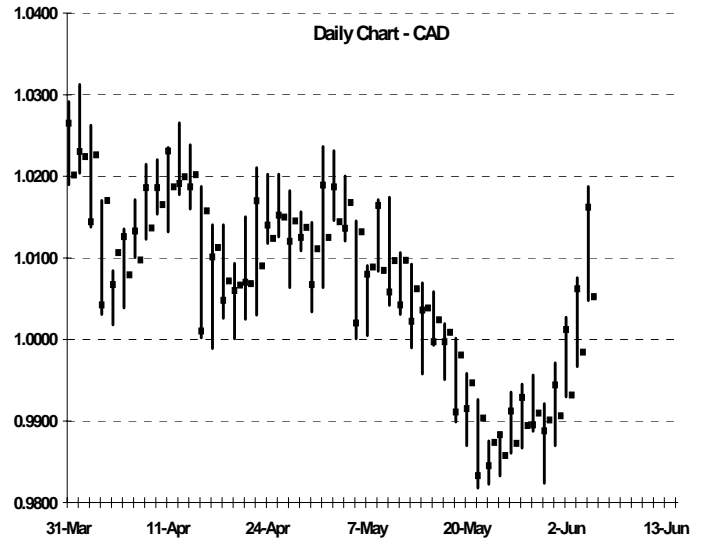
Weekly Outlook – Bullish to neutral. Weekly momentum will stay bullish with any settle above .9540 Friday, and the market has done an able job staying above the initial June support at .9511. At this point, the setup for next week looks neutral to positive. Supports are forming at .9575 trend, .9522/11 and .9445, with deeper monthly uptrend at .9404 to .9339. Main weekly resistance is high at .9715 and the June breakout of .9762. Expecting .9522/11 to .9715/62 range action.

Daily Comments – Neutral. Daily trend turned from bearish to neutral yesterday, with the outside range leaving a widespread setup. Support are .9548, weekly/June zone at .9522/11 and .9471. Resistance is .9627, .9652 and .9715 developing weekly level. Expecting a .9522 to .9627/52 day range.

Position Strategy: Current flat after stopping longs on intraday break of .9490 Wednesday. Will wait to reset longs at .9404 and .9339. . Day Trade: buy .9522/11; sell .9627/52.

Weekly Resistance – 1.0160/66; 1.0246; 1.0332
 Weekly Support – 1.0036; .9978/62; .9943/41; .9917

Projected Weekly Range – 0.9978 to 1.0160



Weekly Resistance - .9715; .9762
 Weekly Support - .9522/11; .9445; .9404; .9339

Projected Weekly Range – 0.9445 to 0.9652

