

FX Technicals

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OVERVIEW: The directional movers at this point are \$/JPY and Sterling. Weekly trend is turning bullish in \$/JPY, with upside now more expansive above both the broken Q3/June zone at 106.35/82 and developing weekly trend base at 106.05/105.39. That remains the buy zone for upside to June ceiling at 112.14. Weekly trend in Sterling is going to be neutral – but with open-ended downside bias under 1.9540 and no monthly support until 1.9120. Will hold existing shorts against 1.9540/65 for 1.9120 target. The other market in play today is Aussie, where the monthly uptrend at .9339 is in danger of giving way.



JPY/USD, Previous NY Close – 107.95
Daily Resistance – 108.32; 109.56
Daily Support – 107.70; **107.21**; 106.94; **106.39**

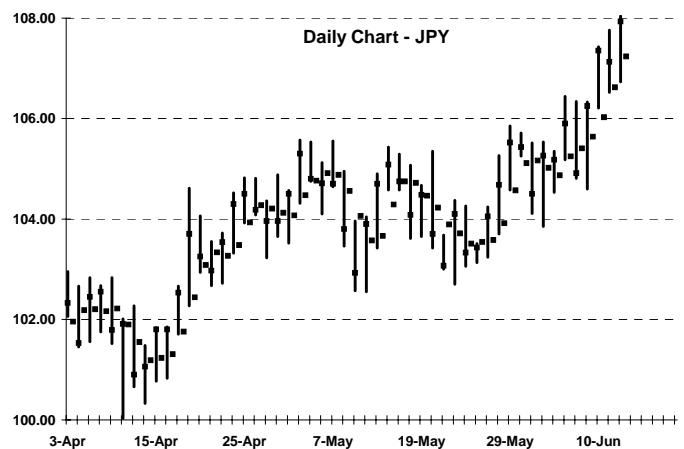
Weekly Resistance – 109.75; **112.14**
Weekly Support – 106.05; **105.39**; 104.57/53; 102.53/50

Projected Daily Range – 107.21 to 109.56

Projected Weekly Range – 104.57 to 109.75

Weekly Outlook – Bullish. Weekly trend is all set to turn bullish with any close above 104.57 today. More importantly, a hold above the developing Q3 and June levels at 106.35 and 106.82 leaves an outright bullish setup. In addition, supports for next week are forming at 106.15 and 105.45/39 trend, before drop to 103.13. Upside on the developing weekly picture is open-ended at this point (closest level is 109.64), with no fixed long-term level until 112.14 June target. Will buy 106.15 and 105.45/39 for 112.14 target.

Daily Comments – Bullish. Daily trend is bullish and the setup for the day points higher. The fact the developing weekly setup has open-ended upside risk adds to the bullish skew. Supports are 107.70, daily trend at 107.21 and 106.94. Daily resistance is 108.32 and 109.56 extreme. Projecting a 107.21 to 109.56 day range.



Position Strategy: Currently flat. Move 50% long at 106.15; 100% long at 105.45/39 – stop on close under 105.00. The likely target will be 112.14 later month. Day Trade: buy 107.21 and 106.94; exit day longs at 108.3 and 109.56



CHF/USD, Previous NY Close – 1.0430
Daily Resistance – 1.0470; 1.0515; 1.0655
Daily Support – 1.0385; 1.0295/90; 1.0155

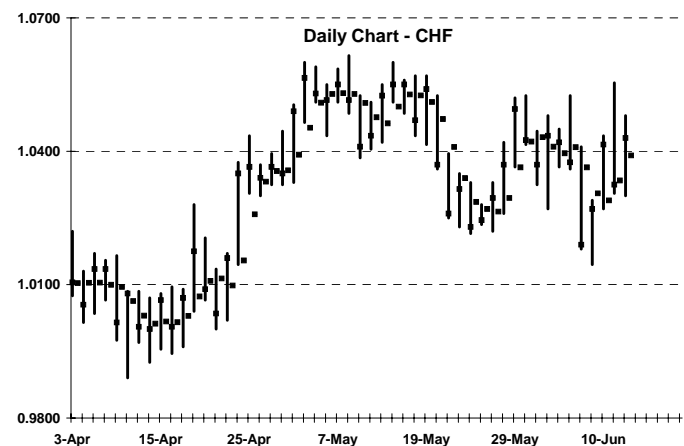
Weekly Resistance – 1.0540; 1.0625; **1.0715**
Weekly Support – 1.0435; **1.0250/20**; 1.0190; 1.0110

Projected Daily Range – 1.0295 to 1.0515

Projected Weekly Range – 1.0220 to 1.0625

Weekly Outlook – Neutral. Weekly trend is going to stay neutral in \$/Swiss, with no discernible breakout to either side of the monthly setup. Unlike \$/JPY, \$/Swiss remains well below its developing Q3 and June hurdles at 1.0715 and 1.0780. Initial weekly hurdles lie at 1.0540 and 1.0625 as well. Main support for next week is from June base at 1.0250/20 to 1.0190, with 1.0110 under there. Expecting more range action from 1.0250/20 to 1.0625. No clear trade here until the sale against 1.0710/85.

Daily Comments – Bullish to neutral. Daily momentum did turn bullish Thursday, but is left with an overall balanced setup today. Day resistance is 1.0470 and 1.0515, with the June hurdle at 1.0540 above there. Supports are 1.0385 daily uptrend, then 1.0295/90 and 1.0250/30 June base. Expecting a 1.0295 to 1.0515/40 day range.



Position Strategy: Currently flat. No new position strategy for now – will wait to sell 1.0715 and 1.0785. Day Trade: buy weakness to 1.0295/90 and 1.0250/20; exit day longs at 1.0470 and 1.0515; sell 1.0540.



Pound, Previous NY Close – 1.9460
 Daily Resistance – 1.9495; **1.9565**; **1.9610**; 1.9700
 Daily Support – 1.9385; 1.9200

Weekly Resistance – 1.9540; 1.9680; **1.9765/90**; **1.9870/85**
 Weekly Support – **1.9120**

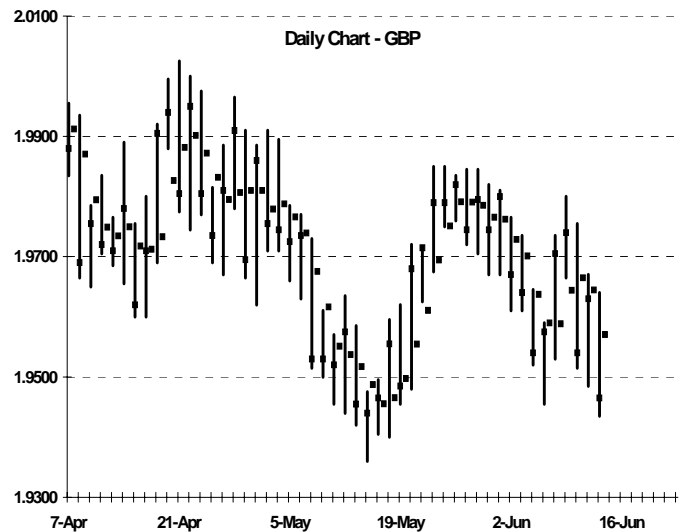
Projected Daily Range – 1.9385 to 1.9540

Projected Weekly Range – 1.9240 to 1.9870

Weekly Outlook – Neutral to bearish. Weekly trend is going to start next week neutral. But more importantly, the developing weekly setup is now open-ended lower below 1.9540. That is first resistance for next week, with 1.9680, then June level at 1.9765/90 above there. Bearish daily trend also intersects at 1.9565 today. Under 1.9540/65, there is no fixed support until the June level at 1.9120. Hold existing shorts against 1.9540/65 today; target is 1.9120.

Daily Comments – Bearish. Daily trend and setup are both bearish, with the developing weekly setup open-ended lower under 1.9540. The combination points lower today. Resistance is 1.9495, weekly level at 1.9540, day trend at 1.9565 and 1.9610. Supports are 1.9385 and 1.9200. Projecting a 1.9540 to 1.9385 day – with potential extension under 1.9385.

Position Strategy: Currently 50% short at 1.9665 from Wednesday. Lower stop to close above 1.9565 today. The target to cover is June level at 1.9120. Day Trade: sell 1.9540/65; cover day shorts at 1.9385; go with action under 1.9385



European Currency Unit, Previous NY Close – 1.5430
 Daily Resistance – 1.5435; **1.5495**; 1.5545
 Daily Support – **1.5330**; 1.5185

Weekly Resistance – 1.5600; 1.5815; **1.5910/60**
 Weekly Support – **1.5430**; 1.5310; 1.5115/00

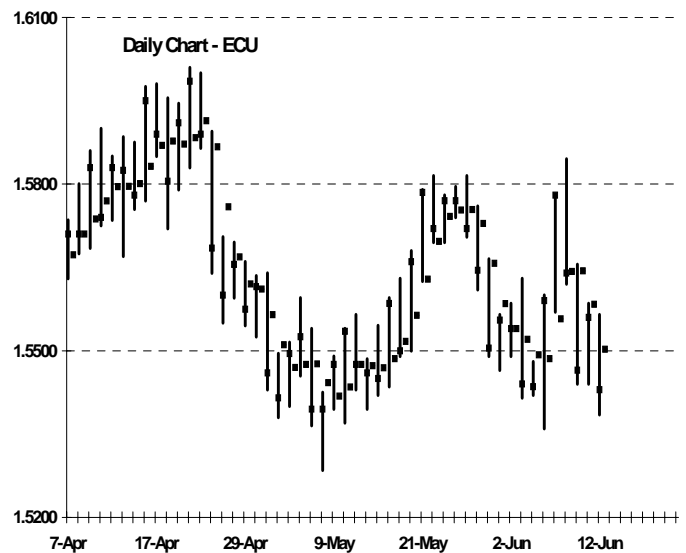
Projected Daily Range – 1.5330 to 1.5495

Projected Weekly Range – 1.5310 to 1.5815

Weekly Outlook – Neutral. The only real news here this week is that weekly trend is set to fall from bullish to neutral with settle under 1.5650 today. The setup otherwise looks balanced for next week. Resistance is forming at 1.5600, 1.5815 and 1.5910 to June level at 1.5960. Main support will be the still in play June breakdown level at 1.5430 and a weekly level at +/-1.5330/10, before drop-off to 1.5115/00. Strategy is to hold the existing partial long against 1.5430 today. Staying above there targets 1.5815/1.5910 for next week.

Daily Comments – Bearish. Daily trend is bearish in Euro, and the setup today points modestly lower. Resistance is 1.5435, the daily trend level at 1.5495 and 1.5545. Other than the wobbly 1.5430 June level, there is no support until the combined daily and developing weekly breakdown zone at 1.5330/10. Projecting a 1.5495 to 1.5330/10 day range.

Position Strategy: Currently 25% long at 1.5430/05 from Thursday. Stop on close under 1.5430 or intraday break of 1.5380. The target is 1.5815 next week. Day Trade: sell against 1.5495 trend and 1.5545; buy weakness to 1.5330/10.





CAD/USD, Previous NY Close – 1.0223
 Daily Resistance – 1.0274; 1.0292; 1.0388
 Daily Support – 1.0188/74; 1.0092

Weekly Resistance – 1.0332; 1.0362; 1.0424
 Weekly Support – 1.0060; 1.0026; .9889

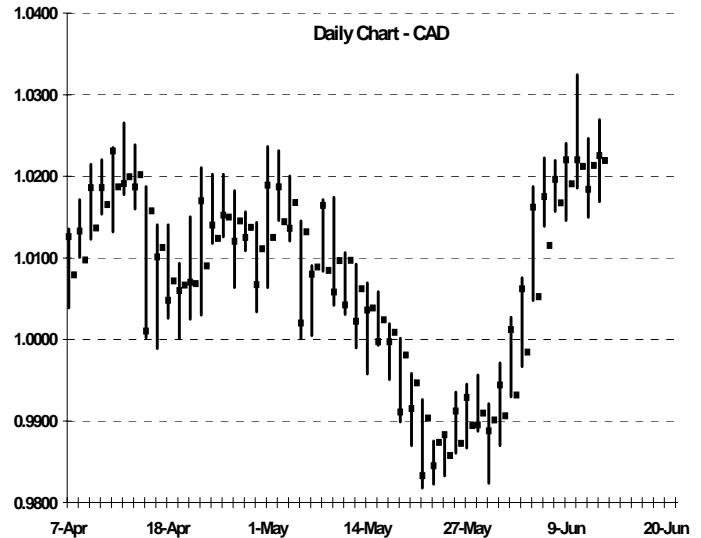
Projected Daily Range – 1.0188 to 1.0274

Projected Weekly Range – 1.0036 to 1.0332

Weekly Outlook – Bullish to neutral. Weekly trend should easily stay bullish (with any settle above .9977 today), but faces a huge widespread and neutral setup next week. Resistance for the June level at 1.0332 and 1.0362, with 1.0424 above there. Supports are developing weekly trend at 1.0060 to 1.0026, before drop to .9889. The fact daily trend fell neutral Wednesday signals we are likely already in a correction lower toward 1.0060/26. Strategy is to add/hold shorts against 1.0362; cover/set longs at 1.0060/26.

Daily Comments – Neutral. Daily trend remains neutral from Wednesday's downturn. The setup today is neutral and evenly balanced. Resistance is 1.0274/92, the June level at 1.0332 and developing weekly sell level at 1.0362. Supports are 1.0188/74, then drop to 1.0092. Expecting a balanced, two-way day from 1.0274/92 to 1.0188/74.

Position Strategy: Currently 50% short at 1.0323/32. Add to 75% short at 1.0362 – stop on close above there. Cover and reverse 25% long at 1.0060; add to 50% long at 1.0026 – stop on close under 1.0010.



Australian Dollar, Previous NY Close - .9348
 Daily Resistance - .9396; **.9438**; .9474
 Daily Support - .9221; .9166

Weekly Resistance - .9433; **.9529**; .9651; **.9762**
 Weekly Support - **.9404**; **.9339/24**; .9175

Projected Daily Range – 0.9324 to 0.9433

Projected Weekly Range – 0.9339 to 0.9529

Weekly Outlook – Neutral. Aussie is hanging on a string above the key long-term support at bullish monthly trend of .9404 to .9339. As long as it ends the week above there, the overall setup is neutral. But getting below .9339 sees downside drop away sharply. As it now stands, resistance for the week is forming at .9433, .9529 and .9651. Below .9339 sees drop to .9175 for next week and developing Q3 trend at .9107. Strategy is to hold existing longs against .9339 for .9529 weekly target.

Daily Comments – Bearish to neutral. Daily trend is bearish under .9438 today, a level that matches up nicely with the initial weekly resistance at .9433. The larger risk for the day is down, but with the setup initially neutral until the June/weekly zone at .9339/24 gives way. Under there is drop to .9221. Resistance is .9396, .9433/38 and .9474. Expecting a .9433 to .9324 day.

Position Strategy: Current 50% long at .9370 average after buying .9404 and .9339 yesterday. Stop on close under .9339 or intraday break of .9310. Target is .9526. Day Trade: sell .9433/38; also sell break under .9339/24.

