

# FX Technicals

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**OVERVIEW:** The main directional trades this week are \$/JPY and Sterling. \$/CAD is also building into a stronger upside formation for July/Q3, with Aussie in increasing danger of a breakdown under its monthly uptrend at .9339. \$/JPY is the cleanest picture, with bullish trend above 106.64 to 105.60/39 and no resistance to 110.32 for the week and 112.14 for June. Sterling has a negative setup, together with the additional pressure of open-ended downside risk for July/Q3. Expecting a 1.9655/65 to 1.9120 week. \$/CAD is trend up, with nice weekly buy zone at 1.0091/42. In addition, both the Q3 (above 1.0169) and July (above 1.0042) setups are open-ended.



JPY/USD, Previous NY Close – 108.18  
Daily Resistance – 108.51; 108.72; 110.01  
Daily Support – 107.55/48; 107.20; 106.72

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

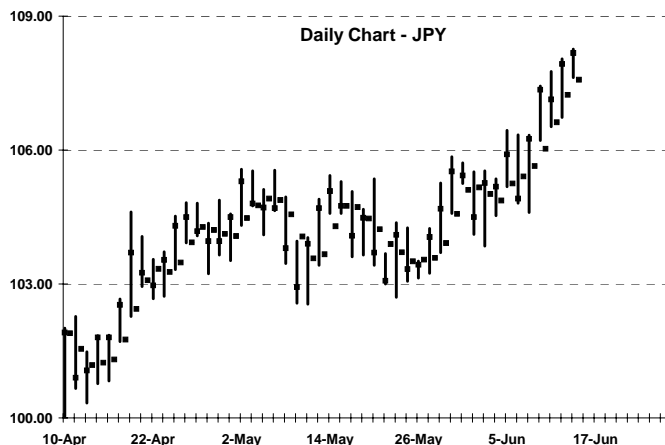
Projected Daily Range – 107.48 to 108.51

Projected Weekly Range – 105.60 to 110.32

**Weekly Outlook** – Bullish. This is a solid bullish picture for the week, with trend now officially bullish and the close above the Q3/June area at 106.35/82 leaving an upside opening. Closest resistance is 110.32 weekly level, with the expected June target not 112.14. Supports for the week are 106.64, weekly trend zone at 105.60/39, then drop to 102.88/80. Bullish daily trend is also at 107.56 for Monday. Projecting a 105.60/39 to 110.32 week. Will scale into longs at 106.64 and 105.60/39.

**Daily Comments** – Bullish to neutral. Daily trend starts the week still bullish, but with a neutral, two-way setup. Main day resistance is 108.51 to 108.72, before jump to 110.01. Supports are 107.55/48 trend, 107.20 and combined day extreme/weekly zone at 106.72/64. Expecting a 107.48 to 108.51/72 day range.

**Position Strategy:** Currently flat. Move 50% long at 106.64; 100% long at 105.60/39 – stop on close under 105.00. The target is 112.14 June level. Day Trade Monday: buy 107.55/48 and 107.20; exit day longs at 108.51/72.



CHF/USD, Previous NY Close – 1.0465  
Daily Resistance – 1.0490; 1.0590  
Daily Support – 1.0435/15; 1.0310/1.0295

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

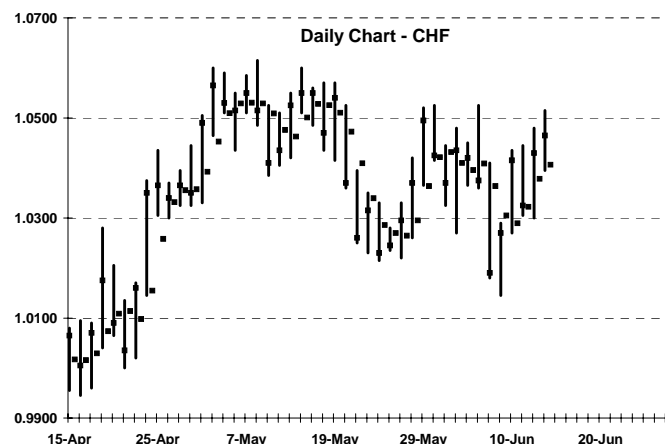
Projected Daily Range – 1.0415 to 1.0540

Projected Weekly Range – 1.0225 to 1.0715

**Weekly Outlook** – Neutral. Weekly momentum is neutral, with no clean bias either way this week. In addition, the outside range last week starts things off with a widespread, neutral setup. Resistance is June/weekly zone at 1.0540/45 to 1.0580, then jumps to the Q3/June sell zone at 1.0715 to 1.0785. Supports for the week are 1.0365, 1.0250/25 June zone and 1.0190. Daily trend is bullish (above 1.0420) for Monday. Projecting a 1.0225 to 1.0715 weekly range. Will set shorts on strength to 1.0715 and 1.0785.

**Daily Comments** – Bullish to neutral. Daily trend is bullish above 1.0415, and the bias is higher toward weekly resistance as long as the USD holds above there. The main targets today are 1.0540/45 and combined weekly/day zone at 1.0580/90. Supports are 1.0435/15 trend and 1.0365 weekly level. Projecting a 1.0415 to 1.0540/45 day range.

**Position Strategy:** Currently flat. Move 33% short at 1.0715; 67% short at 1.0785 – stop on close above 1.0800 Day Trade: buy weakness against 1.0415 daily trend; sell 1.0540/45 and 1.0580/90.





**Pound**, Previous NY Close – 1.9465  
 Daily Resistance – 1.9520/30; 1.9595  
 Daily Support – 1.9390/75; 1.9185

Weekly Resistance – 1.9515; 1.9655/65; 1.9835; 1.9870/1.9910  
 Weekly Support – 1.9355; 1.9120

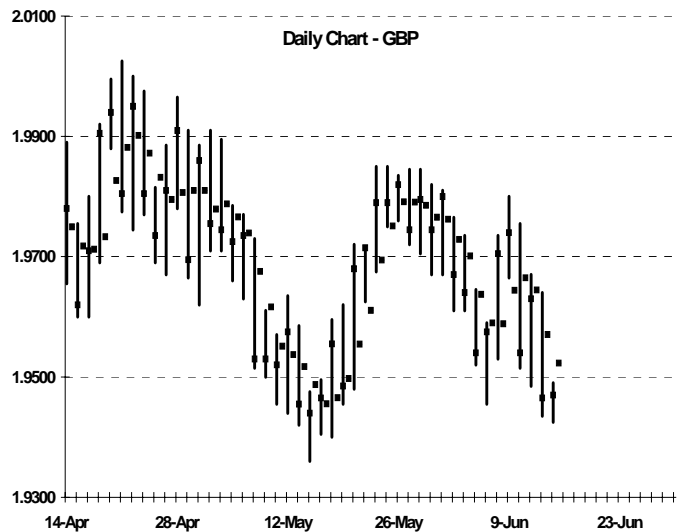
**Projected Daily Range – 1.9390 to 1.9515**

**Projected Weekly Range – 1.9120 to 1.9655**

**Weekly Outlook** – Bearish. Sterling has a very dicey long-term setup, with asymmetric risk lower for both July and Q3. Combined with a negative bias on the weekly setup, the risk this week is for a washout lower. Weekly resistance is 1.9515, 1.9655 and 1.9835. In addition, both the developing July (under 1.9480) and Q3 (under 1.9665) setups are open lower. Lone nearby support is 1.9355, then gap to 1.9120. Expecting a 1.9655/65 to 1.9120 week. Will add/hold shorts against 1.9655/65 on strength or on close under 1.9355 on weakness.

**Daily Comments** – Bearish to neutral. Daily trend is bearish, with an excellent combination of new weekly and daily resistance to sell against at 1.9515/30. Above there is intraday jump to 1.9595. Supports are 1.9390/75 and weekly breakdown level at 1.9355. Expecting a 1.9515/30 to 1.9390 day range..

**Position Strategy:** Currently 50% short at 1.9665. Add to 100% short at 1.9655/65 – stop on close above there. Also move 100% short on close under 1.9355 (limit on new shorts is 1.9325). Day Trade: sell 1.9515/30; cover at 1.9390/75.



**European Currency Unit**, Previous NY Close – 1.5350  
 Daily Resistance – 1.5365; 1.5435/50; 1.5545  
 Daily Support – 1.5215; 1.5035

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

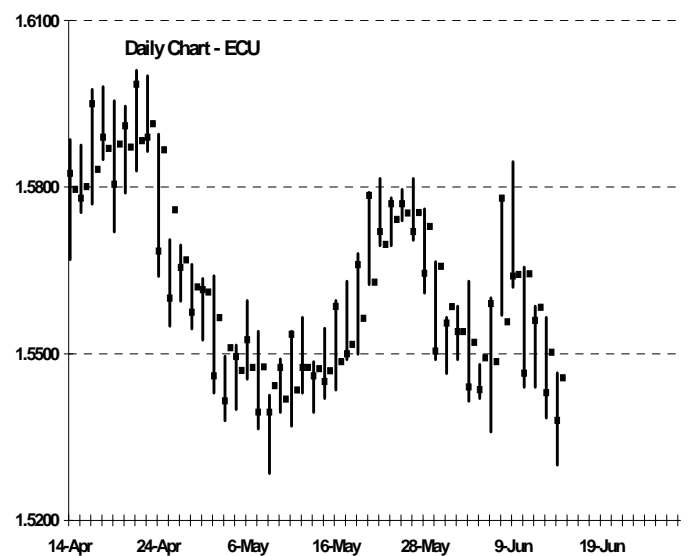
**Projected Daily Range – 1.5240 to 1.5435**

**Projected Weekly Range – 1.5115 to 1.5585**

**Weekly Outlook** – Neutral. Weekly trend and setup are both neutral here, and this remains a very difficult market to trade right now. Developing resistance for next week is 1.5585, then jumps to 1.5865 and 1.5910. The larger June resistance is still high at 1.5960. Supports for the week are combined weekly/July level at 1.5320, 1.5240, then drops to the developing Q3 uptrend at 1.5115/00. Projecting 1.5115 to 1.5585 week. In terms of strategy, will wait to buy 1.5115/00; wait to sell 1.5910/60 for now.

**Daily Comments** – Bearish to neutral. Daily trend remains bearish with a negative setup today. At the same time, downside is neutralized by the new weekly supports at 1.5320 and 1.5240. First day support is 1.5215. Resistance for the day is 1.5365, daily trend at 1.5435/50 and 1.5545. Projecting a 1.5240 low to 1.5435/50 high.

**Position Strategy:** Currently flat. On weakness, will wait to move 50% long at 1.5115/00 – stop on close under 1.5100. Day Trade Monday: sell 1.5435/50 daily trend; cover/buy 1.5240 and 1.5215.





CAD/USD, Previous NY Close – 1.0280  
 Daily Resistance – 1.0321; 1.0421  
 Daily Support – 1.0267; 1.0237/28; 1.0167/60

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

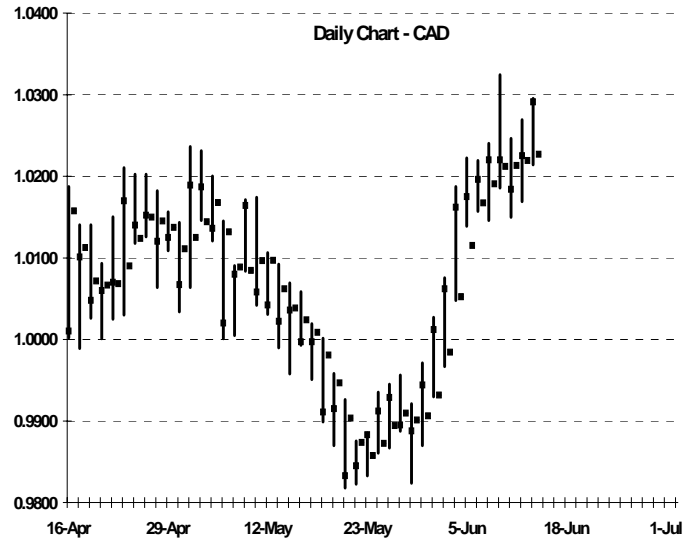
Projected Daily Range – 1.0237 to 1.0321

Projected Weekly Range – 1.0091 to 1.0362

**Weekly Outlook** – Bullish to neutral. Weekly trend is bullish and the developing July/Q3 setups are also getting increasingly one-sided. Although the setup this week is widespread and neutral, the goal is to cover shorts and get into longs on weakness. Supports are developing Q3 level at 1.0169, the weekly uptrend at 1.0091/70 and developing July/weekly level at 1.0042. Resistance is June hurdle at 1.0332, 1.0362 and 1.0424. Projecting a 1.0091 to 1.0362 week. Will cover shorts at 1.0169; set longs at 1.0091/42.

**Daily Comments** – Neutral to bullish. Daily momentum can return to bullish with settle above 1.0237/28 today. The day setup points modestly higher. Supports are 1.0267, 1.0237/28 and 1.0167/60. Earliest resistance is combined daily/June area at 1.0321/32. Projecting a 1.0237/28 to 1.0321/32 day range.

**Position Strategy:** Currently 50% short at 1.0323/32. Stop on close above 1.0362. Cover 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 - .9390  
 Daily Resistance - .9401/06; .9477  
 Daily Support - .9343/41; .9189

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

Projected Daily Range – 0.9339 to 0.9406

Projected Weekly Range – 0.9339 to 0.9529

**Weekly Outlook** – Neutral to bearish. Although the bullish monthly trend at .9339 did manage to hold Friday, Aussie is expected to stay under pressure this week. The fact weekly trend fell from bullish to neutral is one source of that pressure. In addition, the weekly setup – aside from the .9339 level – points lower. Resistance is .9421, .9534 and .9651. Below .9339 is minimum drop to .9175 for the week and developing Q3 trend at .9107. Projecting a .9534 to .9339 week – but with sharp extension risk under .9339.

**Daily Comments** – Bearish to neutral. This is another battle between bearish daily trend (at .9401/06 today) and the key monthly uptrend support at .9339. The setup is neutral between there, with day support at .9343/41 and weekly level at .9421 reinforcing both sides. Under .9343/39 sees both intraday and intraweek drop to .9189/75. Expecting a .9406 to .9339 day.

**Position Strategy:** Current 50% long at .9370 average from last Thursday. Stop on close under .9339 or intraday break of .9310. Target to exit is .9533 this week. Day Trade: sell .9401/06 and .9421 weekly level; also go with action under .9343/39.

