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Recovering On Hammer Formation



EURUSD- Although recovery higher off a hammer formation the past week remains suggestive of a follow through higher, EUR still remains vulnerable while trading below the 1.4000 level and its medium term high at 1.4339. This view also enjoys the support of its potential head and shoulders pattern as well as its nearer term falling channel on the daily timeframe. Supports are situated at the 1.3805 level, representing its Jun 08'09 low which also falls within the vicinity of the 1.3793 level. These levels are envisaged to reverse roles and provide strong supports thereby turning the pair higher again just like the past week. If tested. However, if a cut through there occurs, the 1.3738 level, its Mar 19'09 high will be targeted where a break will highlight lower prices towards the 1.3480 level, its weekly 200 ema. Conversely, though our overall medium term outlook remains to the upside on the pair, we have to see a decisive break and hold above the 1.4339 level to reverse the present downside threats and bring gains higher towards the 1.4719 level, its Dec 18'08 high and then the 1.4867 level, its Sept 22'08 high. **On the whole, though biased to the upside in the medium term, EUR continues to be challenged by nearer term corrective weakness.**

Directional Bias:
 Nearer Term -Mixed
 Short Term - Bullish
 Medium Term -Bullish

Performance in %:
 Past Week: -0.57%
 Past Month: +6.89%
 Past Quarter: -3.33%
 Year To Date: -0.25%

Weekly Range:
 High -1.4012
 Low -1.3748

GBPUSD

GBPUSD - GBP/USD Spot 1.6493 (+0.84%) Weekly 0:00



Pressure Builds Towards The 1.6662 Level.

GBPUSD- While a marginal higher close was seen the past week, we continue to see risk of a retest of the pair's medium term high residing at the 1.6662. A break through there will trigger the resumption of that trend towards the 1.6673 level, its Oct 30'08 high and then the 1.7000 level, its big psycho level. However, with GBP yet to tally overcome its nearer term corrective pullbacks, failing to build on its past week gains will mean a reverse lower initially towards the 1.6399 level, its Nov 03'08 high which is followed by the 1.6000 level. Below there if seen should drive the pair further lower towards 1.5801 level with a trade below that level exposing the 1.5374 level, its Jan 08'09 high. **All in all, GBP still retains its medium term bullish structure while correcting in the medium.**

Directional Bias:

- Nearer Term -Bullish
- Short Term -Bullish
- Medium Term -Mixed

Performance in %:

- Past Week:: +0.30%
- past Month: +9.39%
- Past Quarter: -1.86%
- Year To Date:: +12.72%

Weekly Range:

- High -1.6561
- Low -1.6188

All charts courtesy of www.ProRealTime.com. FXTechstrategy recommends ProRealTime charts.

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