

“EUR/USD continues in range” (Market waiting for stronger releases)



---EUR/USD seems to be waiting for a stronger indication of where it's going ---

EUR/USD continues to move in the 1.59-1.54 range, and it will continue to do so until something stronger happens. Euro bulls are now beginning to worry about how strong the Dollar correction could be. Bernanke could trigger the rally as central banks continue to consider to work together in order to aid the US economy and help credit crunch throughout the world.

Europe is now managing a growing concern, high inflation and low growth. Stagflation is much worse than what is happening in the US, and don't forget that these US problems are very likely to jump the pond and affect Europe and UK as well. So, what will happen when Trichet notices that he's heading full speed into a concrete wall? The answer is not very clear as stagflation is not an easy problem to solve... But let's get back to the currencies, EUR/USD will continue to move in range. It could go higher and try to reach 1.60/1.62. We believe it won't go much higher after that but let's wait for releases on both sides of the pond. The most important thing we're waiting for is the analysis of how long will the US be in a recession and how strong will the housing and credit crisis be. Once we have a clear idea about these things, and as the US begins to recover from the current situation, we might as well see a very strong correction towards 1.4000 due to the problems the EZ will be facing at the time. But that is not just around the corner, for the moment let's focus on appearances by Bernanke and Trichet because they can announce at any time that they will work together to solve the financial crisis. Retail sales, Non Farm Payrolls and any inflationary indicator will also be very important in the next few days/weeks. Keep an eye on the ball.

Technicals don't work very well when volatility is moving the pair 400 pips in 2 days and then getting it back without anything really happening. Indicators are falling out of place and we'll have to wait to see them reorganize themselves and begin to show the real trend that is being set as we write this report. Let's wait for major releases and then we can see what our charts are telling us.

Have a nice week and please remember to focus and be patient.

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These are our Daily Predictions. For any question or suggestion don't doubt and contact me at info@nexumcapital.com

Important Releases	Day/Session	Europe	US	Asia
	Monday	UP	DOWN	STABLE
	Tuesday	DOWN	UP	STABLE
Bernanke 6:30 am EZ Retail Sales	Wednesday	UP	STABLE	STABLE
Trichet speaking Unemployment	Thursday	DOWN	UP	STABLE
NFPayrolls 6:30 am	Friday	STABLE	UP	CLOSED

HIGH: 1.5990
LOW: 1.5650
CLOSE: 1.5800

EUR/USD

EUR/USD continues to move in range. Traders are waiting for a clear indication of where central bankers are planning to take the pair. Keep an eye on appearances by both Bernanke and Trichet to get an peek into where we will be heading for 2008. This could be the highest we will see EUR/USD in a long time but it doesn't mean that were heading south right now. Be patient and wait for a clear trend.

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DAILY GRAPH



This week will define if we're witnessing a double top and getting ready for a mayor south side correction, or if the upside trend will continue and take us higher than 1.6000.

Our analysis indicates Short EUR/USD every time it reaches 1.5870

- **Take Profit 1: 1.5800**
- **Take Profit 2: 1.5690**

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