

HIGHLIGHTS:

- ❖ **EURUSD: Established Falling Channel Keeps Focus To The Downside-** Recovery setback at the 1.3070(channel top) has seen EUR collapsing and closing lower at 1.2855 on Wednesday... [Learn more](#)
- ❖ **USDCAD: Continued Hold Below The 1.2371/94 Area Suggest Further Lower Prices -** The pair recorded a second-day of consecutive downside losses Wednesday and was heading lower in early morning trading today... [Learn more](#)

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EURUSD: Established Falling Channel Keeps Focus To The Downside..

EURUSD: Recovery setback at the 1.3070(channel top) has seen EUR collapsing and closing lower at 1.2855 on Wednesday. Having taken back almost all of its Tuesday upside gains and continued to trade within its established declining channel, weakness is now expected initially towards the 1.2766 level, its Jan 23'09 low followed by the 1.2706 level and subsequently the 1.2551 level, its Dec 04'08 low .But the ultimate level stands at the 1.2330 level, its 2008 swing low. We expect this level to give way and trigger the resumption of its medium term declines now on hold. Its daily RSI remains supportive of this view.However,a return back above its Nov 25'08 high at 1.3081 followed with a close above the 1.3298/1.3313 zone, its Jan 06'09 low/Oct 30'08 high will be required to prevent its current downside threats and bring gains towards its Nov 25'08 high at 1.3081 and then the 1.3298/1.3313 zone, its Jan 06'09 low/Oct 30'08 high. On the whole, while the pair remains medium term bearish and continues to maintain within its falling channel, lower prices are expected to be printed.

Support

1.2766
 1.2551
 1.2330

Comments

Jan 23'09 low
 Dec 04'08 low
 2008 low

Resistance

1.3070/81
 1.3298/1.3313
 1.3386

Comments

Channel Top/Nov 25'08 high
 Jan 06'09 low/Oct 30'08 high
 Jan 19'09 high



USDCAD: Continued Hold Below The 1.2371/94 Area Suggest Further Lower Prices.

USDCAD: The pair recorded a second-day of consecutive downside losses Wednesday and was heading lower in early morning trading today. With USDCAD still trading below its key support at the 1.2371/94 area, its Dec 19 & 31'08 highs, risk continues to point lower towards its Jan 30'09 low at 1.2214 with a cut through there exposing the 1.2026 level, its Jan 28'09 and then the 1.1761 level, its Jan 06'09 high. Its daily studies are trending lower supporting its current price declines. However, if a violation of the 1.2371/94 area, its Dec 19 & 31'08 and its Jan 21'09 high at 1.2765 materialize, the 1.2954/1.3018 zone, its Nov 21'08/Dec 05'08 high/YTD high will then be aimed at with a break of there envisaged to resume its medium term uptrend. On the whole, unless closes above the 1.2371/94 area, its Dec 19 & 31'08 and its Jan 21'09 high at 1.2765 occur, downside risk remains.

Support	Comments
1.2026	Jan 28'09
1.2214	Jan 30'09 low
1.1761	Jan 06'09 high

Resistance	Comments
1.2371/94	Dec 19 & 31'08 highs
1.2755/65	Dec 08'08 high/ Jan 21'09 high
1.2954/1.3018	Nov 21'08/Dec 05'08 high/YTD high

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

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