

AUDUSD

Price

0.9121

6th November 2009

| | | | | | | |
|-------------------|---------------|---------------|------------------|------------------|---------------|------------------|
| Resistance | 0.9142 | 0.9173 | 0.9198-14 | 0.9241 | 0.9266 | 0.9295-26 |
| Support | 0.9090 | 0.9060 | 0.9024 | 0.8983-95 | 0.8960 | 0.8904 |

Bias On balance this still looks bullish while 0.9090 supports - above 0.9127-42 extends to 0.9173 at least

The underlying MT direction is neutral while the daily bias is bullish. Caution is advised but there is a mild preference for gains within a consolidation. However, be aware of the risk of choppy price action that could hit stops. Therefore take note of both daily & MT S&R and confirm any bullish trade with bullish set up patterns. It would also be advisable to study both lower and higher time frame charts for evidence to support bullish trades.

Consider buy set ups at:

0.9127-42

Consider sell set ups at: 0.9173 or 0.9198-14 or 0.9090

| | |
|-------------------------|--|
| Daily Bullish | The 0.9023 Fibonacci support held well yesterday and the rally from there has been very positive. This looks like extending to the 0.9142 high at least and if there is any chance of finding a continuation pattern around the 0.9127-42 area it will assist in generating a buying level. However, we do have to be careful at the next closest resistance at 0.9173. There is a valid projection here and is just below the 0.9180 corrective high so I can't rule out a reaction here. Ideally it should be brief and allow the rally to extend to the 0.9198-0.9214 resistance zone and I favor the higher level. However, here I will expect a correction if seen directly. Next resistance is at 0.9241-66. |
| Med Term Bullish | 5th November: We've seen direct gains and thus while we should still pay respect to the 0.9180 swing high I feel the 0.9215-36 (max 0.9266) resistance is going to hold. Only above here would renew an attack on the 0.9326 high. |
| Daily Bearish | At the moment the bullish structure is holding well and I feel we'll have to be patient if looking for selling opportunities. The higher risk areas for a cap to be seen at at 0.9142-73 and then not until 0.9214 and higher at 0.9266. Therefore watch these areas for signs of a bearish set up and possibly reversal pattern. Only an earlier break back below 0.9090 would begin to harm the bullish structure and if this is seen then the risk will turn for losses down through 0.9060 and back to the 0.9024 low. Take care here as this has potential to provide a correction. Breach will extend losses further to 0.8983-95, 0.8960 and the 0.8904 low. |
| Med term Bearish | 5th November: Watch the 0.9215-0.9266 area - while this caps the downside can resume, initially to retest the 0.8904-15 lows. |

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For yesterday's trade set up report together with a review of support & resistance levels please see:

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