

EURJPY

Price

134.32

5th November 2009

Resistance	134.60-80	135.16	135.66-97	136.60	137.28-43	137.75
Support	134.07	133.80	133.00-20	132.49	131.71	130.98

Bias While 133.80-07 supports there is still room for a move to 136.60 (max 137.28-43)

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: 133.80-07

Consider sell set ups at: 136.60 or 137.28 or 133.75-80

Daily Bullish	Gains were seen as preferred although these extended higher than expected and raise the chance of seeing the ideal target at 136.60 minimum. However, I should add that at any point above 135.66 there will be a vulnerability to a reversal lower. While the additional gains can be seen the 133.80-134.07 area should support. This should generate a rally back above the 134.60-80 pivot area and on above 135.16 to the 135.66 high seen yesterday. This should cause a correction, but much shallower before the final move up to the ideal target at 136.60. Allow for 136.82. Beyond here I'll be more cautious. There is a deeper target at 137.28-42 though I am less keen on this.
Med Term Bullish	4th November: If price can manage to push above 133.22 and then 134.52-67 then there is a scenario that would call for a move as high as 136.61-82... max 137.28-45. Take this in stages.
Daily Bearish	As we move higher I feel the risk of reversal get higher. At the moment I think the 133.80-134.07 area will support and I feel we should be looking closer to the 136.60-82 area for signs of a cap and reversal. At most 137.28-43 could be seen while the larger picture remains bearish. Thus, only an earlier break below 133.80 would concern and suggest a more direct bearish route that would extend losses through 133.00-20 and 132.49 and back towards the 131.71 corrective low at least. This should produce a pullback ahead of the 130.98 low.
Med term Bearish	5th November: In some ways I am quite satisfied with the pullback which if it reaches 136.60-80 would appear to complete a larger consolidation pattern. Thus watch the broad 136.60-137.28 area for signs of a potential cap...

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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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