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EURUSD: Failure At The 1.5062 Level Triggers Correction

EURUSD- With our cautious outlook above the 1.5000 level picture painted for several days and the need for the pair to convincingly break and hold above the mentioned level, well EUR took a nose-dive Monday selling off hard off the 1.5062 level to close lower at 1.4908. Although the pair was seen recovering part of those losses in early trading today as long as it holds below that big psycho level (1.5000), it is vulnerable to the downside. Nearby support lies at the 1.4844 level where its Sept 23'09 high is located. With a test of there seen Monday and a recovery ahead of there occurring this morning, that may have turned off EUR by providing support highlighted in our previous analyses. However, if that level gives in further downside prices will shape up towards its Oct 12'09 low at 1.4672 and possibly lower towards the 1.4531 level, its LT rising trendline. Its daily studies are bearish and trending lower suggesting further weakness. To the upside, a break back above the 1.5000 level must be seen to halt its current nearer term weakness and then bring more gains towards the 1.5062 level printed on Monday. Beyond there will leave the next upside targets at the 1.5082 level, its Aug 10'08 high and the 1.5283 level, its May 04'08 low. **On the whole, with a failure above the 1.5000 level triggering a correction, further downside pressure is likely nearer term**

Directional Bias

- Nearer Term -Bearish
- Short Term -Bullish
- Medium Term -Bullish

Performance(%)

- Past Week: +0.69%
- Past Month: +0.55%
- Year To Date +7.41%

Support

- 1.4844/75
- 1.4672
- 1.4531

Resistance

- 1.5000
- 1.5062

Comments

- YTD/Sept 21'09 highs
- Oct 09'09 high
- LT rising trendline

Comments

- Psycho level
- Oct 26'09 high

GBPUSD



GBPUSD- Hitting Its Channel Resistance

GBPUSD- With a marginal close seen Monday following a retest of its falling channel resistance, another attempt was seen being made at the same resistance today. GBP continues to struggle within the mentioned channel since breaking into it the past week following its failure at the 1.6692 level, its Oct 23'09 high. A clearance of that level and the 1.6466 level, its Sept 23'09 high must occur to reverse its weakness and open up upside risk towards the 1.6740 level, its Sept 11'09 high where a break higher will pave the way for a run at its YTD high at 1.7041. We believe that while the pair continues to trade within its channel, its upside will remain on hold and downside risk is likely. Support is located at its Sept 30'09 high at 1.6124 where a break will create scope for further weakness towards the 1.5708 level printed on Oct 13'09. Below there will trigger the resumption of its short term downtrend. **On the whole, while GBP trades within its falling channel, risk remains to the downside with eyes on its short term downtrend resumption.**

Support	Comments
1.6239	Oct 19'09 low
1.6124	Sept 30'09 high
1.6000	Psycho level

Resistance	Comments
1.6370	Channel Resistance
1.6466	Sept 23'09 high
1.6692	Oct 23'09 high

Directional Bias

- Nearer Term -Bearish
- Short Term -Bearish
- Medium Term -Bullish

Performance(%)

- Past Week: +0.31%
- Past Month: -2.06%
- Year To Date +11.44%



USDJPY: Channel Top Looks To Provide Resistance

USDJPY- We retain our bearish outlook for USDJPY short and medium terms though nearer term the pair is pointing higher. Its immediate risk is for a move towards channel resistance currently at 92.70 where a test and an eventual failure is probable. Price hesitation continues to be seen ahead of that level. The 92.70 level is also within the vicinity its Sept 24'09 low at 92.52. Downside threats are now seen towards the 91.31 level, its Oct 16'09 high and then the 90.44 level, its Oct 12'09 high which is expected to reverse roles as support. Below there if seen will bring the 88.82 level, its Oct 14'09 high into focus with a break and close below that level targeting its Oct 07'09 low at 88.00. Conversely, to void our downside view, the pair must break and hold above its two channels thereby neutralizing its short term downtrend and creating scope for further upside towards its Sept 07'09 high at 93.29 and then the 95.05 level, its Aug 24'09 high. **On the whole, although USDJPY maintains a bullish tone nearer term, its broader bias remains lower in the shorter to medium term.**

Support	Comment
91.31	Oct 16'09 high
90.44	Oct 12'09 high
88.82	Oct 14'09 low

Resistance	Comments
92.52	Sept 21'09 hig
92.70	Channel Top
93.29	Sept 07'09 high

Directional Bias

Nearer Term – Bullish
 Short Term – Bearish
 Medium Term – Bearish

Performance(%)

Past Week: +1.28%
 Past Month: -1.89%
 Year To Date +1.51%



EURJPY: Backing Off Higher Prices.

EURJPY- A failed breakout above its symmetrical triangle saw EURJPY tumbling lower Monday to close at 136.98. This has halted its attempt to breakout of its triangle pattern and triggered a correction of its move from the 128.98 level. We are now keeping our eyes on the 136.02 level, its Oct 15'09 high if further weakness is seen with a loss of the latter pushing the cross further lower towards the 133.36 level, its daily 200 ema. We expect the former level to hold and provide support thereby turning the cross higher again. Upside objective is located at the 137.97 level, its pattern top with a break of there driving it further higher towards the 138.71 level where its Aug 07'09 high is sited. Above the latter will clear the way for a run at the 139.26 level, its YTD high where a violation will activate the resumption of its MT uptrend. **On the whole, failure at higher level prices and its subsequent weakness now suggests further decline but as long as that is seen within its established symmetrical triangle, another attempt at higher prices is expected agin**

Support	Comments
136.02	Oct 15'09 high
133.36	Daily 200 ema
132.01	Sept 30'09

Resistance	Comments
137.97	Pattern top
138.71	Aug 07'09 high
139.26	YTD high

Directional Bias

Nearer Term -Bearish
 Short Term -Bullish
 Medium Term -Bullish

Performance(%)

Past Week: +1.04%
 Past Month: -16.29%
 Year To Date +9.07%



AUDUSD: Corrective Downside Seen

AUDUSD- In our Friday analysis, we highlighted that while we retain our medium term uptrend bias on the pair, corrective declines following its recent run to the upside can not ruled out. The mentioned correction has now started, pushing the pair lower on Monday on the back of its Friday negative close. Downside objectives are seen at the 0.9112 level, its Oct 19'09 high and the 0.9089 level ahead of the 0.9000/0.8950 levels where a reversal of roles is expected. However, if that fails, a decline towards the 0.8890 level, its LT rising trendline could be seen. Its daily studies are bearish and pointing lower suggesting further downside. On the other hand, in order for this risk to be avoided, AUDUSD must break and hold above its Oct 21'09/Aug 03'08 highs at 0.9327/44. This will suggest further upside towards the 0.9592 level, its July 27'08 high and possibly higher. **On the whole, though broader bias remains higher medium term, AUDUSD now faces nearer term corrective downside pressure.**

Support	Comments
0.9112	Oct 19'09 low
0.9089	Oct 08'09 high
0.9000/0.8950	Aug'10'08 high

Resistance	Comments
0.9327	Oct 21'09 high
0.9344	Aug 03'08 high
0.9592	July 27'08 high

Directional Bias	Performance(%)
Nearer Term -Bearish	Past Week: +0.64%
Short Term -Bullish	Past Month: +0.81%
Medium Term -Bullish	Year To Date +31.27%



USDCAD: Takes Out The 1.0590 Level, Looks For Further Upside

USDCAD- With the pair continuing its corrective upside Monday breaking through the 1.0582 level, its Oct 21'09 and its Oct 02'09 high at 1.0958, risk of further upside is now building up towards its Oct 02'09 high at 1.0958. On a break and hold above there, USDCAD should push further higher towards the 1.0991 level, its Sept 27'09 high and next the 1.1123, its Aug 17'09 high. Supports are located at the 1.0582/90 levels and the 1.0434 level, its Oct 16'09 high and then its YTD low at 1.0204. Its medium term downside resumption has its trigger there and a loss of that level will drive the pair further lower to the downside towards the 1.0100 level and then its parity level at 1.0000. Immediate risk remains higher nearer term. **On the whole, the pair continues to maintain its recovery off the 1.0204 level and now looks to head further higher.**

Support	Comments
1.0582/90	Oct 02'09/Oct 02'09
1.0434	Oct 16'09 high
1.0204	YTD low

Resistance	Comments
1.0303	Sept 21'08 low
1.0590	Sept 17'09 low
1.0991	Sept 27'09 high

Directional Bias	Performance(%)
Nearer Term -Bullish	Past Week: -1.63%
Short Term -Bearish	Past Month: +1.50%
Medium Term -Bearish	Year To Date -13.64%



EURGBP : Reversing Its Past Week Rally.

EURGBP: Having failed to follow through higher on Monday, EURGBP sold off sharply to close lower at 0.9116. It was seen building on those losses in early trading today suggesting that further weakness targeting the 0.9076 level, its Sept 30'09 low is now seen ahead of its psycho level at 0.9000 and then the 0.8904 level, its 50 Ret(0.8399-0.9410 rally). Its daily RSI remains supportive of this view. In order for the cross to reverse its current weakness, a return back above the 0.9239 level must occur thereby paving the way for further upside towards the 0.9299 level, its Sept 27'09 high with a decisive penetration of there aiming at its Oct 13'09 high at 0.9410. A recapture of that level will end its current correction and trigger the resumption of its ST uptrend towards its Mar'09 high at 0.9489. **On the whole, EURGBP retains its nearer term corrective bias and looks to retarget the 0.9076 level and possibly the 0.9000/2 level**

Support

0.9076
 0.9000
 0.8904

Comments

Sept 30'09 low
 Psycho level
 50 Ret(0.8399-0.9410 rally)

Resistance

0.9076
 0.9167
 0.9189

Comments

Sept 30'09 low
 Oct 16'09 low
 Oct 19'09 high

Directional Bias

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

Performance(%)

Past Week: -1.00%
 Past Month: -4.61%
 Year To Date -3.62%

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