



Week 07

18th February – 24th February 2009

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



the FX trader's guide to major markets

Philip J Allwright

Mark Sturdy

Authorised and regulated
by the FSA



summary

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

Stay SQUARE recent downmove still looks tired
Stay BULLISH small inverse Head & Shoulders has helped s/term bulls
Stay BULLISH but chart tiring as it approaches key 1.1828/42 76.4% area
Stay SQUARE bulls could be gaining in confidence; 1.5070 23.6% next key resistance
Stay SQUARE s/term pullback not yet underway, but remains likely

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

Stay SQUARE modest positive RSI divergence hints at bear fatigue
Stay SQUARE 0.8552/55 now represents key support
Stay BULLISH trying to base above a 76.4% support
Stay SQUARE bears begin to look tired, awaiting bull trigger

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Stay BULLISH bulls now need to make decisive break of s/term 76.4% resistance
Stay BULLISH after erosion of key 0.6300 support proved short-lived
Stay SQUARE downside currently limited by nearby long term 76.4% level
Stay SQUARE s/term support from a small 76.4% support is moderately bullish
Go SQUARE s/term recovery closing in on key resistance area

Disclaimer



MAJORS

In **EUR/USD**, the bears still look tired, but no bull signals yet. **USD/CHF** bulls have been targeting towards a key 76.4% resistance area (neared recently) but a pullback looks due soon. **USD/JPY** bears have sidelined as s/term bulls are inspired by a small base. **GBP/USD** has not yet given a bull signal, so we must be cautious. The **US Dollar Index** bounce off 61.8% of the 2008 gains still should give way to a pullback soon.

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

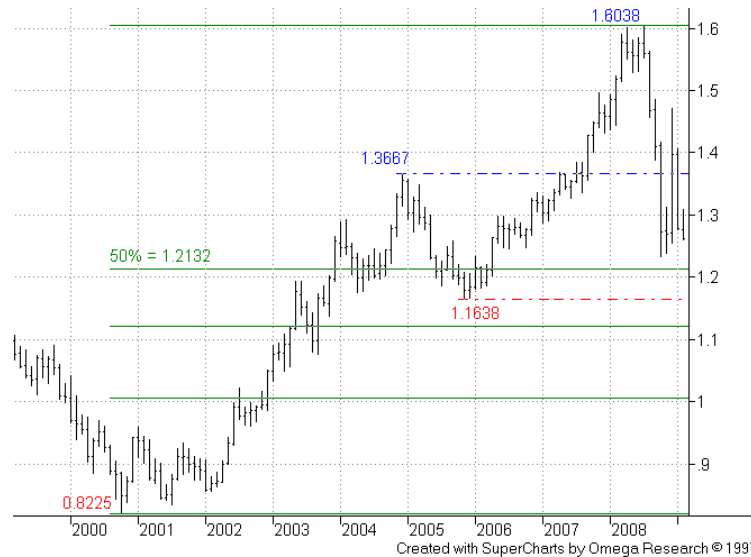
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

Euro Dollar



Euro Dollar – Monthly Chart:

The extent of last year's fall implies that a medium term bear move is underway, with long term bull momentum on the wane.



Euro Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

Euro Dollar – Weekly Chart:

The late 2008 recovery was viewed as a temporary affair.

The 61.8% area is not expected to be retested/breached any time soon.





Euro Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

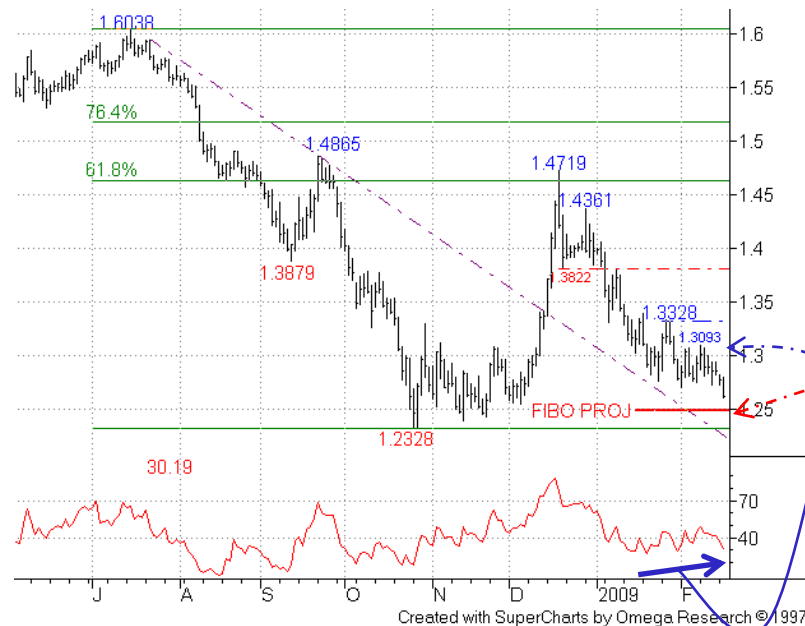
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Dollar – Daily Chart:

S/term bears do not give up easily, but we still think that the chart structure suggests that the downmove from Dec high is maturing, with limited downside.

A recent divergence on the RSI has not been negated yet.

Our 1.2470 Fibo projection is still worth noting, as a possible limit to the bear move.

At this stage a recovery through 1.3093 09-Feb high would be the first encouraging sign for bulls.

Meanwhile we maintain a s/term sidelined stance.



Dollar Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

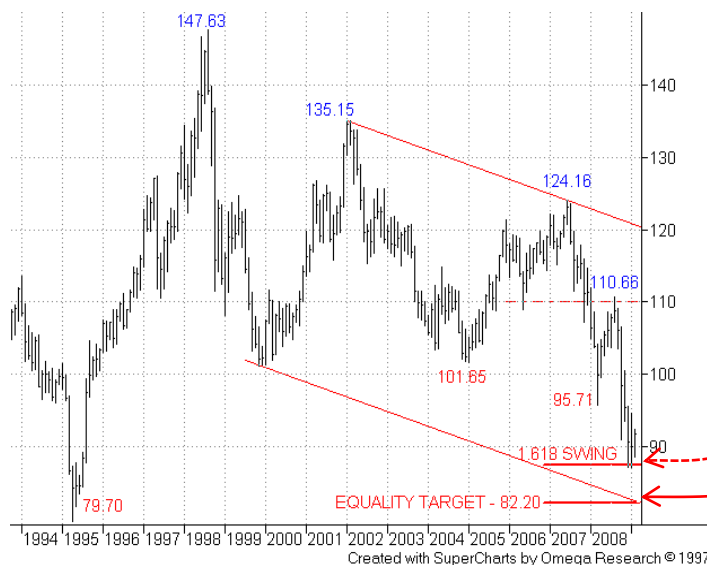
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Dollar Yen – Monthly Chart:

The downmove has found temporary support at the 1.618 swing projection off prior 101.65-124.16 upmove.

Any rebound will currently be assumed temporary.

Note the lower equality target ('124.16-95.71' off 110.66 Aug high) around **82.20**.

Long term bear risk remains.



Dollar Yen – Weekly Chart:

Last year's downleg found nice support from the projected bear channel base.



Dollar Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Dollar Yen – Daily Chart:

S/term bull signs have mounted, including completion of a small inverse Head & Shoulders, with neckline having recently provided support.

A further breach of the bear channel top projection (just below 93.00, and neared earlier today) would be the next bull trigger, and further recovery above the 94.63 06-Jan high would see a larger base form.

Meanwhile note support from 89.68 11-Feb low, ahead of the 88.56 03-Feb low.

Any longs on recent dips will likely have stops just below 89.68 at this stage, partial profits preferred ahead of 93.00.

We maintain our s/term bullish stance for now.



Dollar Swiss

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

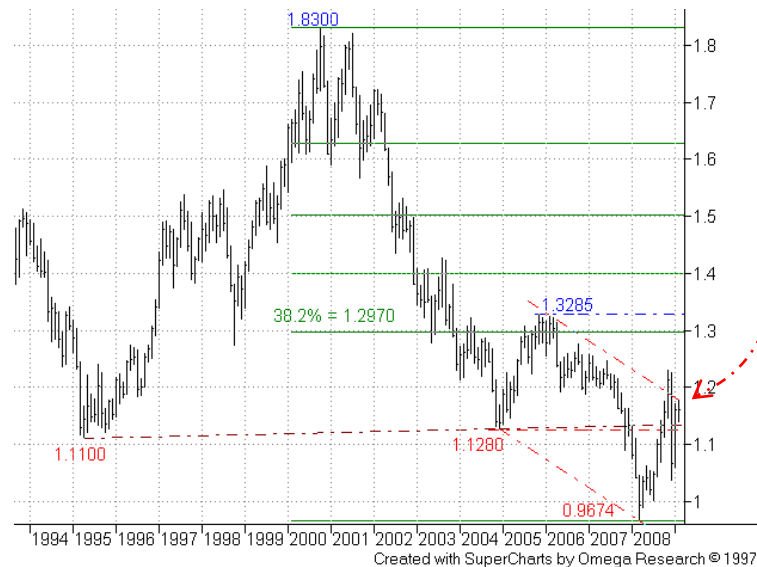
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

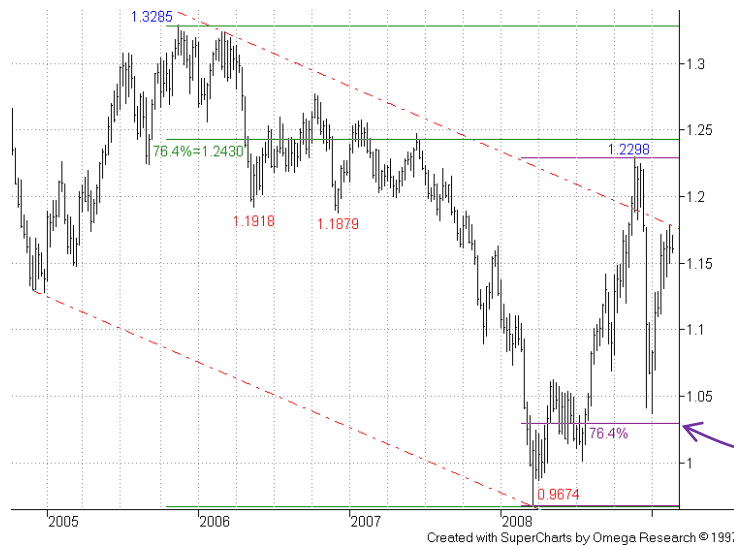
- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Dollar Swiss – Monthly Chart:

The recovery off 0.9674 Mar-08 low breached the bear channel top projection, signalling that long term bears were losing momentum.



Dollar Swiss – Weekly Chart:

The subsequent deep pullback (nearly 76.4% - see Daily chart) was not a surprise.

If long term bear momentum has indeed weakened then we anticipate a retest of the 1.2298 Nov peak in due course.

(but see Daily chart)



Dollar Swiss

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

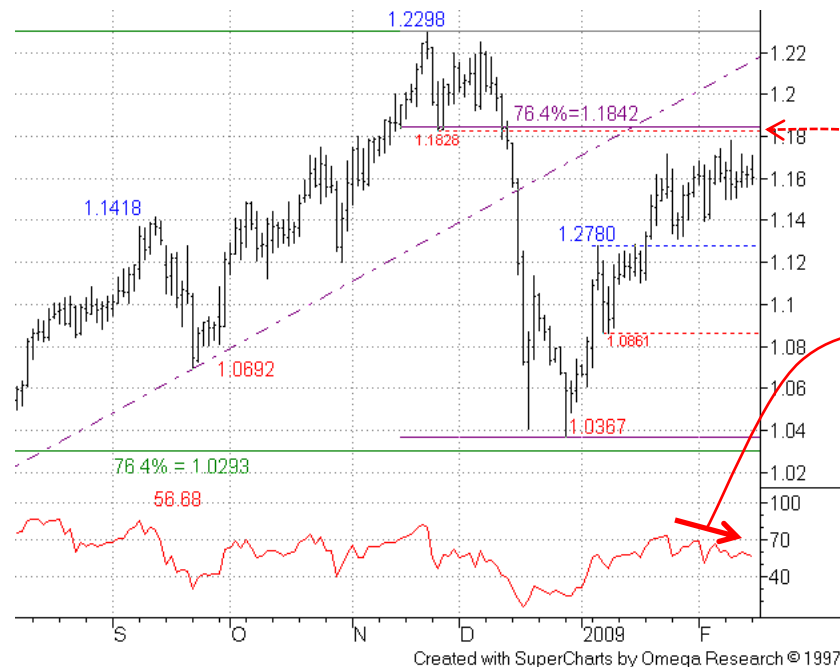
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Dollar Swiss – Daily Chart:

The s/term picture remains unchanged - **the chart looks temporarily tired** as it approaches the key 1.1828/42 area (25-Nov low and 76.4%).

The negative RSI divergence now visible still suggests **bull fatigue**.

Upside looks restricted now – the better s/term move should be to the downside soon.

The first interesting support comes from the 1.2780 06-Jan high, below which would give future s/term bears a boost.

Any longs, with partial profits taken earlier on, may now be closed now.

We maintain a bullish stance, although ready for a s/term pullback.



Sterling Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

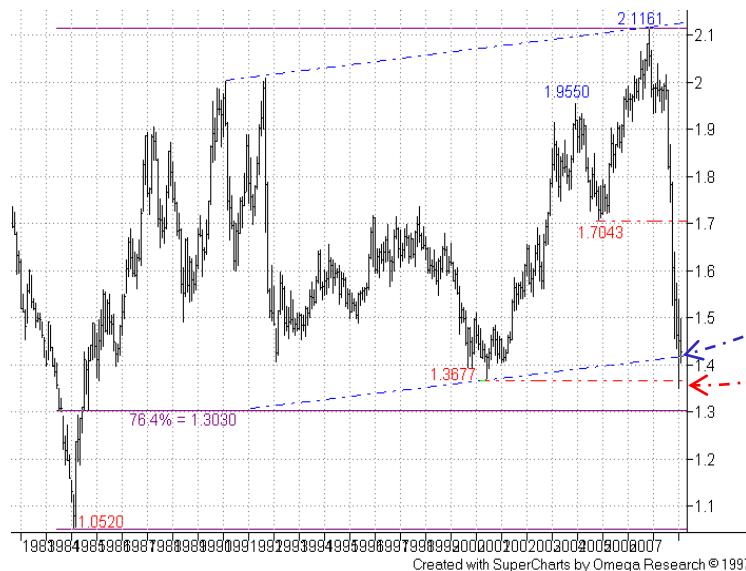
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Sterling Dollar – Monthly Chart:

The powerful bear move has broken below the long term channel base projection (a further sign of momentum loss) .

The 1.3677 Jun-01 low was eroded, but price has quickly shied away from pushing still lower (and towards the 76.4% 1.3000 area).



Sterling Dollar – Weekly Chart:

The two things to note here are

1. The structure of the chart seems to have changed since Dec – it has taken on the classic appearance of a final leg
2. There is currently a nice **positive divergence on the RSI**, which suggests bear fatigue creeping in.



Sterling Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

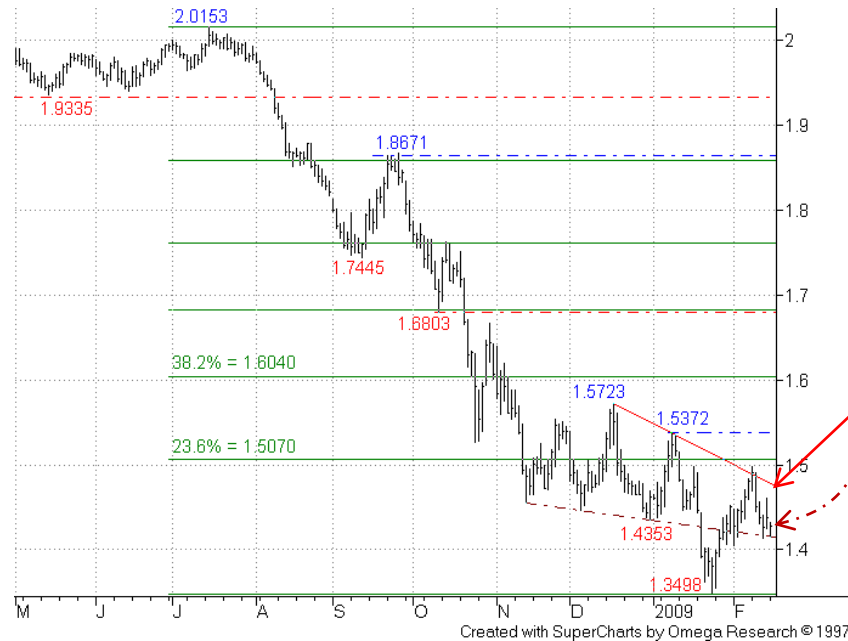
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

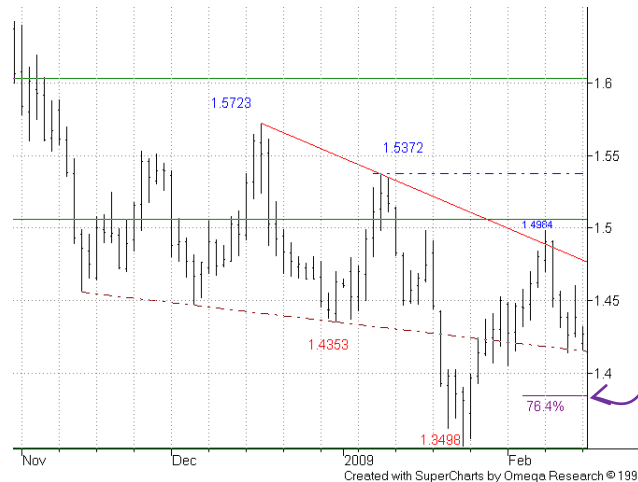


Sterling Dollar - Daily Chart:

Recent recovery has tested, but not broken through, our falling resistance line.

We still want to see a decent close above here (say above the 1.5070 23.6% level) for an initial bull trigger – **thereafter, buying on dips would be favoured.**

A recovery scenario would then be on the cards, with initial target towards the 1.6040 38.2% level.



Looking closer, at this stage we would like to see support coming in at/above the small 1.3850 76.4% pullback level.

We maintain a sidelined stance here, ready to go bullish when appropriate.



US Dollar Index

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

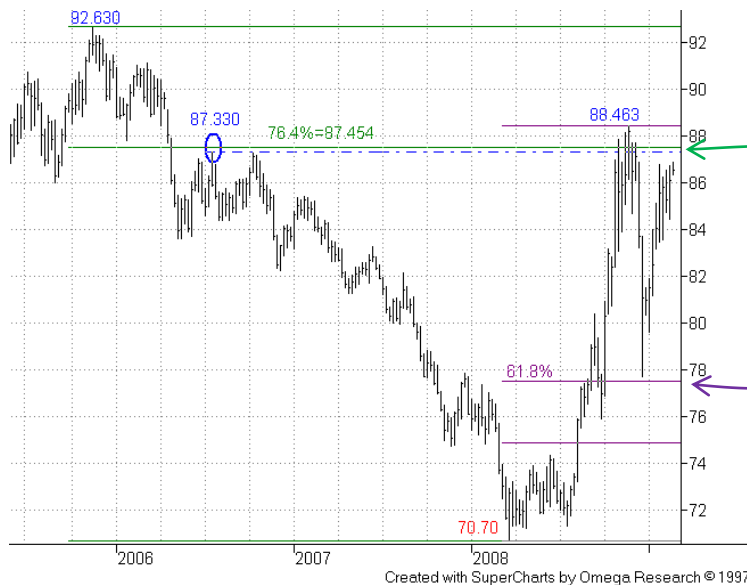
Disclaimer



US Dollar Index – Monthly Chart:

In 2008 two signs that long term bears were losing momentum were

- the push above the significant 80.390 Dec-04 low , and
- the breach of the bear channel top projection.



US Dollar Index – Weekly Chart:

The 2008 upmove struggled, and failed, after testing the 76.4% area.

Subsequent pullback found support around the 61.8% retracement, and has been seen as a precursor to another upmove that pushes beyond the 88.463 Nov high.



US Dollar Index

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

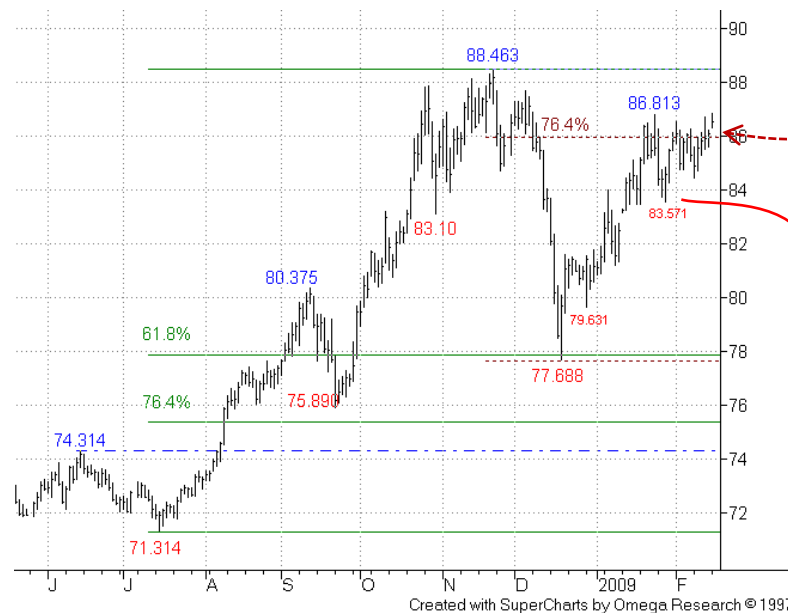
US Dollar Index – Daily Chart:

The rally off the 61.8% level in Dec faltered after testing/eroding a 76.4% recovery level.

*So far, an expected s/term pullback has not got underway **but**, the chart structure still suggests this to be likely before a decent assault on the 88.463 Nov high, and push beyond.*

A drop below the 83.571 28-Jan low would prolong the correction.

We maintain a s/term sidelined stance for now.





CROSSES

EURJPY has stayed quiet, and we stay on the lookout for s/term bull triggers. Weakness in **EURGBP** has brought price closer to key support in the 0.8550s. **EURCHF** looks to be in recovery mode still after recently testing a 76.4% support level. Signs of bear fatigue in **GBPJPY** are building.

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

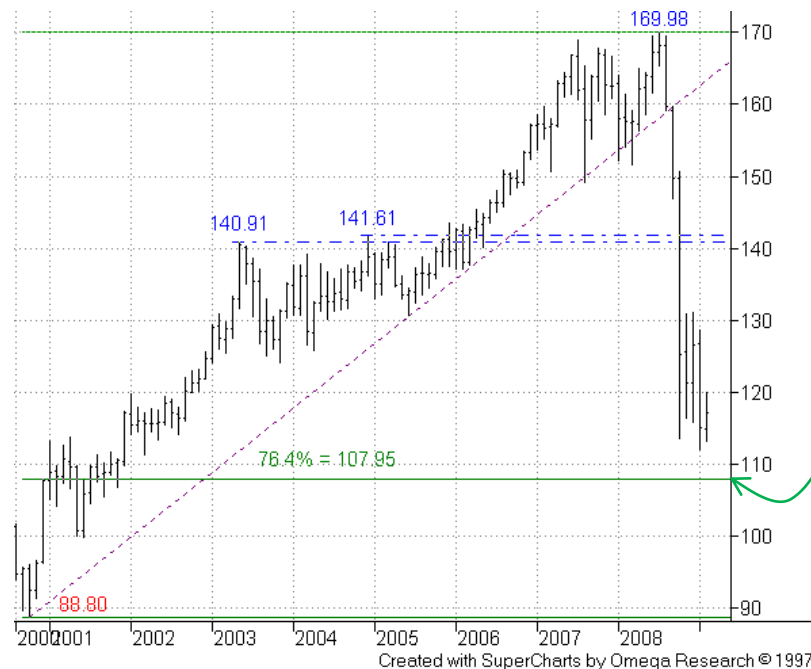
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

Euro Yen



Euro Yen – Monthly Chart:

After the break below the significant 141.61/140.91 highs the move has so far fallen short of the 76.4% 107.95 level, with later scope for this being tested.

More



Euro Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

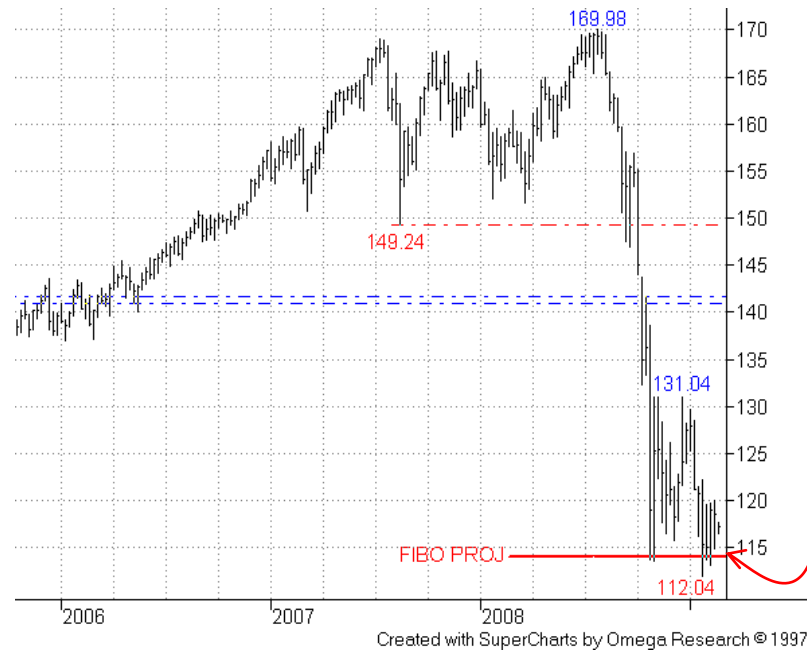
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Yen – Weekly Chart:

Our latest Fibo projections (around 114.30) earlier provided support – it has again come under pressure but only briefly eroded so far.



Euro Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

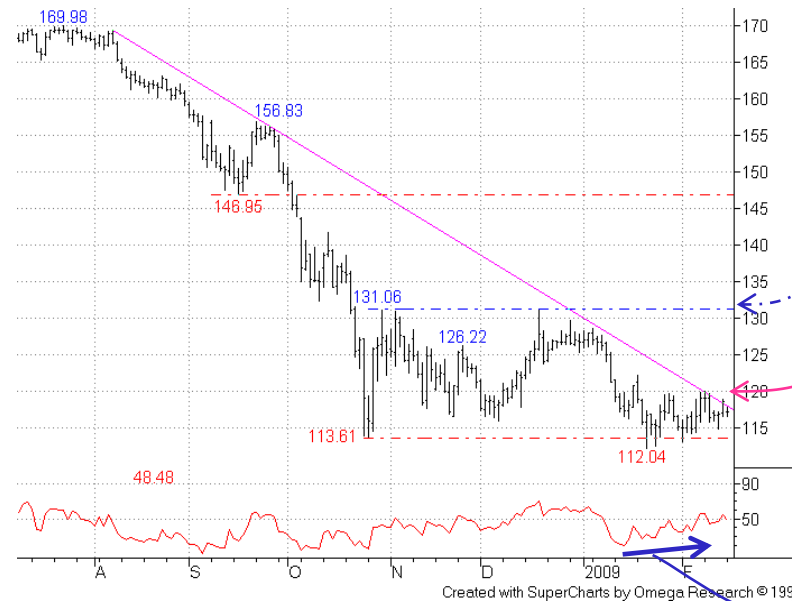
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Yen – Daily Chart:

The main resistance here remains around 131.00 - ultimately a close through 131.06 30-Oct high is still required for final bull confirmation.

The first bull trigger would be a good close above the falling resistance line (say above 120.00).

The recent small RSI divergence could still be hinting that bears are tiring.

Any buyers on a break above 120.00 would probably target towards 131.00 for partial profits, initial stops below 76.4% of the most recent upleg at the time.

We maintain a s/term sidelined stance here.



Euro Sterling

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

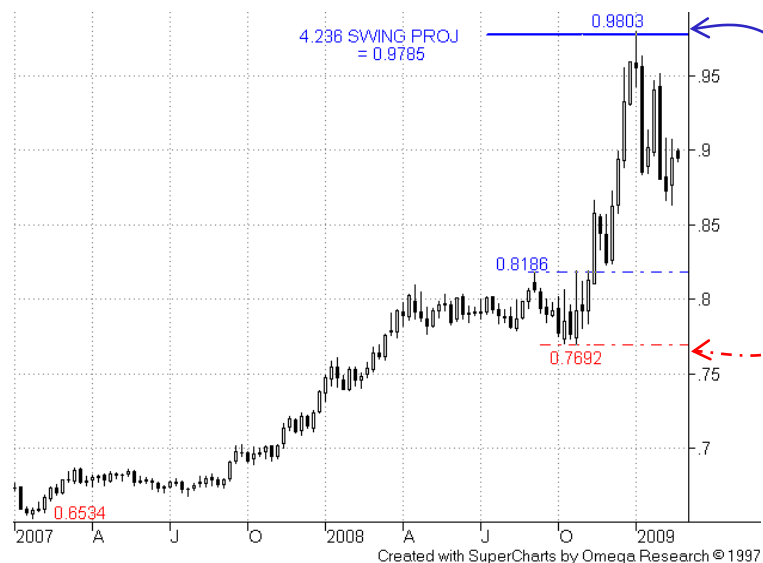
Disclaimer



Euro Sterling – Monthly Chart:

The longer term chart structure has remained very bullish.

But the 0.8555 38.2% retracement needs to hold in order not to jeopardise this.



Euro Sterling – Weekly Chart:

The acceleration upwards from the 0.7692 Oct low interestingly achieved an almost exact 4.236 swing (one of the more extreme natural growth multiples) off prior 0.8186-0.7692 Sep/Oct pullback.

A cautionary note for bulls: - the increased volatility of the last few weeks is a feature sometimes occurring when a trend is in the process of reversing.



Euro Sterling

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

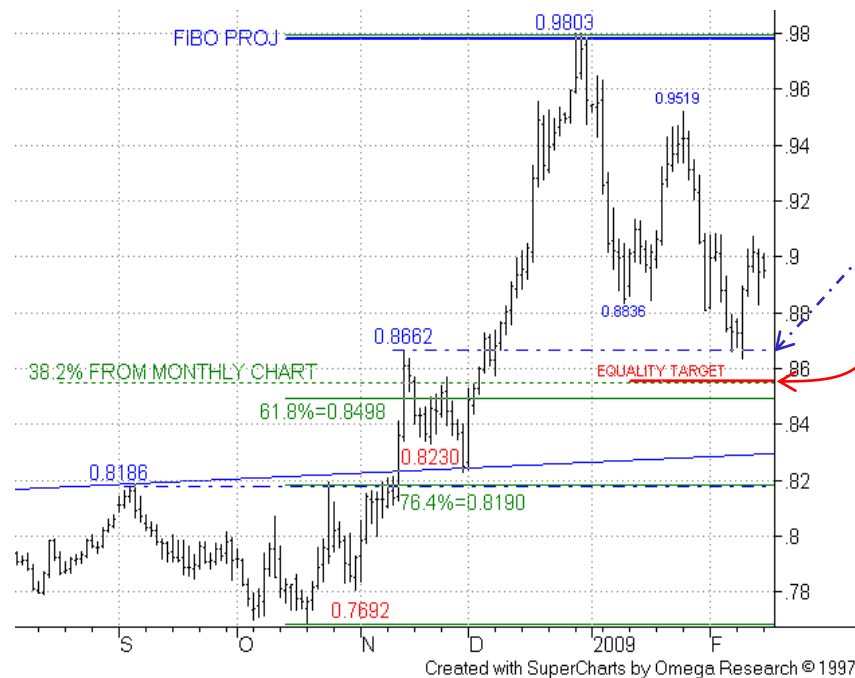
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Sterling – Daily Chart:

Recent weakness found support from around the 0.8662 13-Nov high.

However, we still see the 0.8550s as most key support (0.8552 is the '0.9803-0.8836' equality target off 0.9519 high; 0.8555 the long term 38.2% level).

S/term support at/above here is not a surprise, but if this fails then that 0.9803 Dec peak should stay unchallenged for some time.

We maintain a sidelined stance for now.



Euro Swiss

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Swiss – Monthly Chart:

The major 1.4391 low of 2001 was pierced, but only briefly.

Initial recovery after then was dramatic.



Euro Swiss – Weekly Chart:

The sharp Oct/Dec rebound eroded our bear channel top projection, but was then rejected by the 76.4% retracement level.

76.4% levels have also been useful on the Daily chart...



Euro Swiss

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

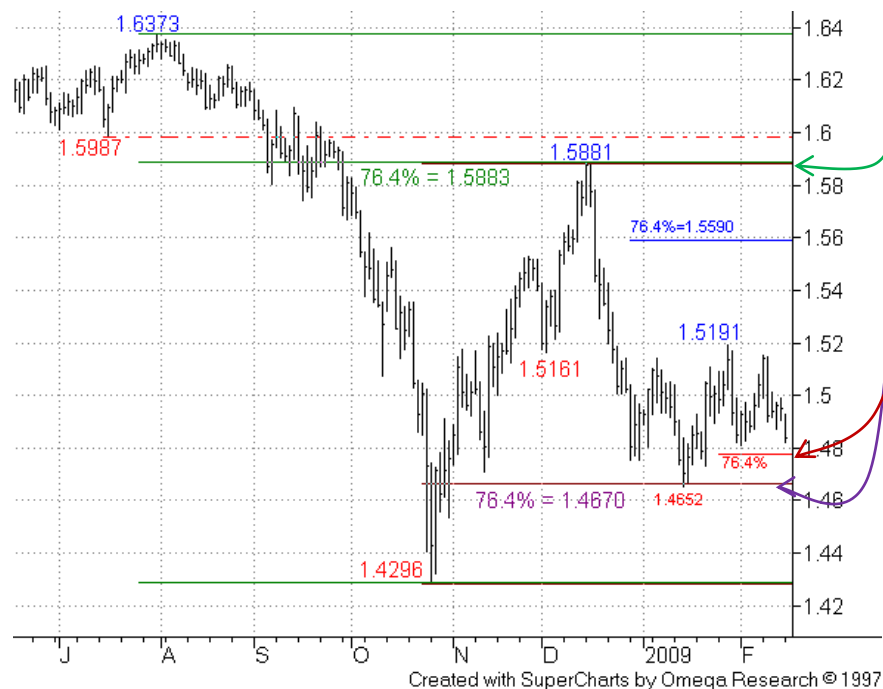
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Euro Swiss – Daily Chart:

See how 76.4% resistance was followed by 76.4% support.

S/term weakness has now tested a smaller 76.4% level today, at 1.4780.

The bull case would get a boost now on a break above the 1.5191 28-Jan high, with the 1.5600 area (76.4% again) our initial target.

Breaks below 1.4780 and the 1.4652 14-Jan low would be a negative signal.

Recent bulls may have been stopped by latest weakness, but there is still a case for buying (initial stops below 1.4652), targeting towards 1.5191 for partial profits.

We maintain a bull stance for now.



Sterling Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Sterling Yen – Monthly Chart:

The substantial fall here breached the level of the major 148.25 Sep-2000 low.

Continuation downward has now seen a test of our next Fibo projection around **121.00**.



Sterling Yen – Weekly Chart:

The structure of the Weekly chart could now be implying the downtrend is slowing.

We continue to note the positive divergence on the Weekly RSI too...



Sterling Yen

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



Sterling Yen – Daily Chart:

Recovery from the 118.78 Jan low recently breached the 130.00 resistance area - *an initial but inconclusive bullish sign.*

In the end, the 141.53/70 area (07-Jan high and 23.6% level) needs to be broken to suggest a better recovery is underway and trigger us bullish.

However, now note an additional, interim bull sign would come from a push through the small falling resistance line (146.00 just now).

Some may use this as a bull trigger.

We maintain a sidelined stance for now.



MINORS

USD/CAD remains bullish while above recent 76.4% support level. **AUD/USD** remains above a long term 76.4% level, and a recovery scenario is still possible here. **NZD/USD** has slipped towards a 76.4% support, and we await better reaction around here. **USD/ZAR** has consolidated below s/term resistance, but bulls could have the edge. S/term **USD/SGD** bulls have made a come-back, but key resistance is approaching...

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

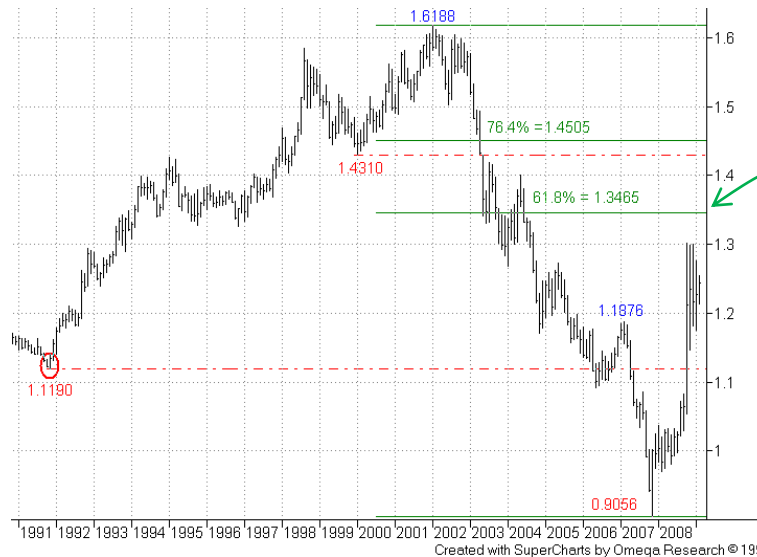
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer

US Dollar CAD Dollar



US Dollar CAD Dollar – Monthly Chart:

After pushing beyond the level of the major **1.1190** Nov-91 low, price is now not far from a 61.8% recovery of the 2002-2007 losses, around **1.3465**.



US Dollar CAD Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

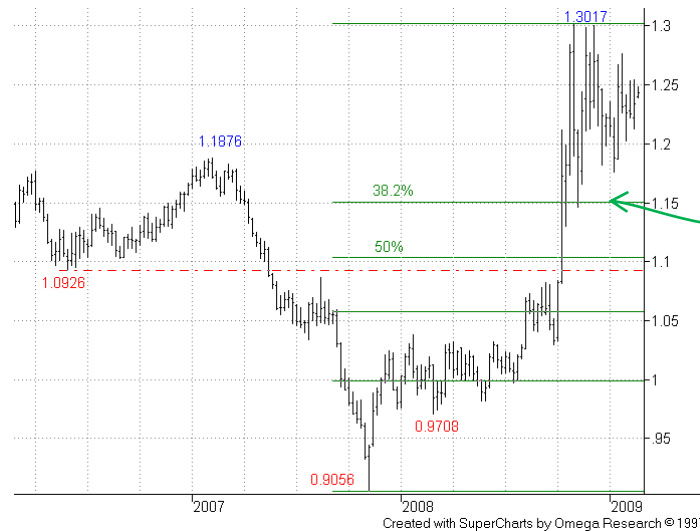
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



US Dollar CAD Dollar – Weekly Chart:

The current consolidation has found nice support at/above the 38.2% level of the 2007-08 recovery.

The chart structure suggests another upleg can be anticipated, before we look closer for signs of medium term bear fatigue.



US Dollar CAD Dollar – Daily Chart:

Recent support from a 76.4% support was encouraging

While this holds we continue to favour the bulls, but the s/term hurdle now is another 76.4% level close to 1.2600 – a break above this would be a useful additional bull signal.

Sights then set on the 1.3000 area.

Any recent buyers, with stops just below the 1.1996 76.4% level, may be taking partial profits ahead of the 1.2764 21-Jan high (around that 1.2600 level?).

We maintain a s/term bullish stance.



AUS Dollar US Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

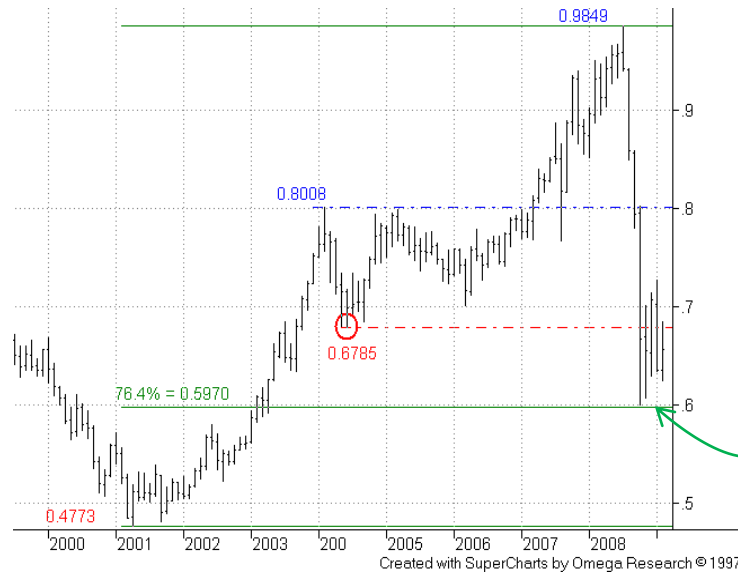
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



AUS Dollar US Dollar – Monthly Chart:

Losses in 2008 found good support from the 76.4% retracement level



AUS Dollar US Dollar – Weekly Chart:

The recent break of the 0.7000 resistance area proved short-lived.

We wait to see if the long term 76.4% level (above) can encourage a better recovery, but note Daily chart below.

Higher resistance comes from the next significant low at 0.7672, Aug-07.



AUS Dollar US Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

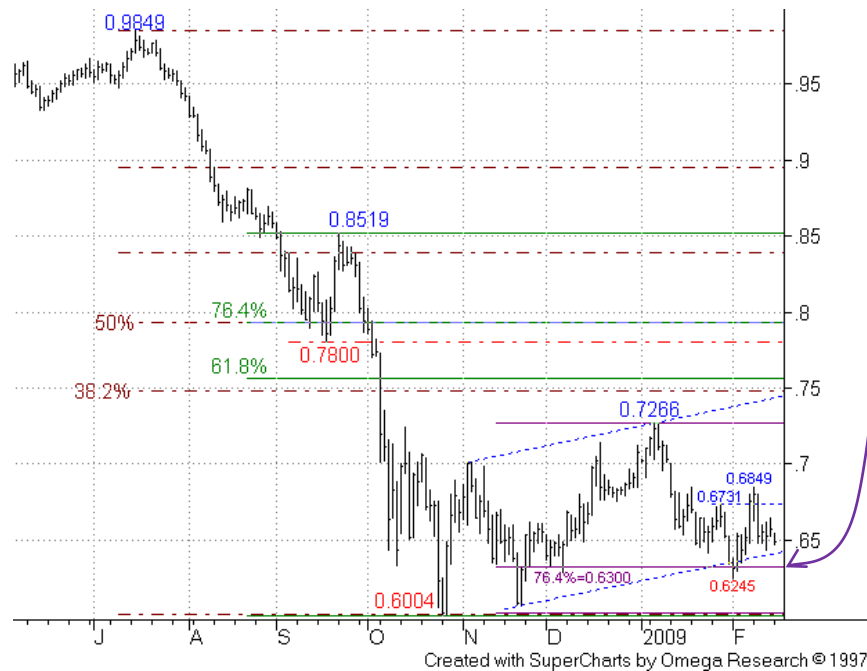
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



AUS Dollar US Dollar – Daily Chart:

Recent erosion of key support from a 76.4% level at 0.6300 plus base of small bull channel was brief, and subsequent blip above the 0.6731 26-Jan high has kept bulls in the picture.

And now, a further recovery above the 0.6849 09-Feb high would be a modest bull trigger.

This would restore some confidence in a recovery scenario.

The 0.6245 02-Feb low remains first key support.

Speculative buyers on dips will likely have initial stops just below that 0.6245 low.

We maintain an aggressive s/term bullish position, aided by that long term 76.4% level.



NZ Dollar US Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

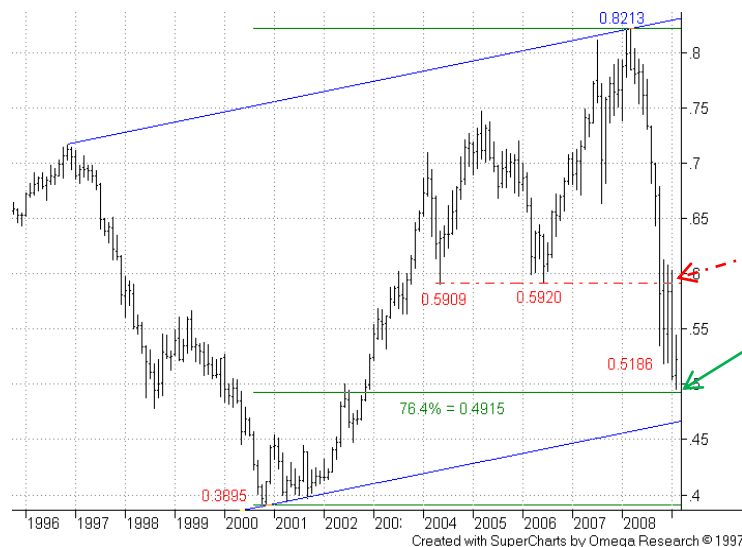
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

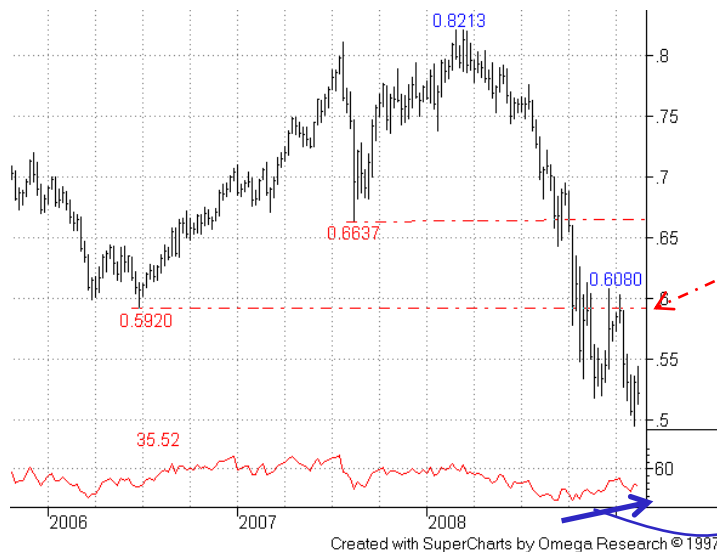
Disclaimer



NZ Dollar US Dollar – Monthly Chart:

The sharp fall violated the important lows from 2004/2006, around 0.5909/20, and now the **0.4915** 76.4% level has been neared – we look closer now for evidence of a rebound off this technical level.

Beyond here note the long term bull channel base projection around 0.4650.



NZ Dollar US Dollar – Weekly Chart:

The 2006 0.5920 low reverted to resistance after last year's fall; it earlier came under pressure, but was not overcome.

There is early evidence now of a positive RSI divergence, suggesting bear fatigue, but nothing conclusive yet.



NZ Dollar US Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

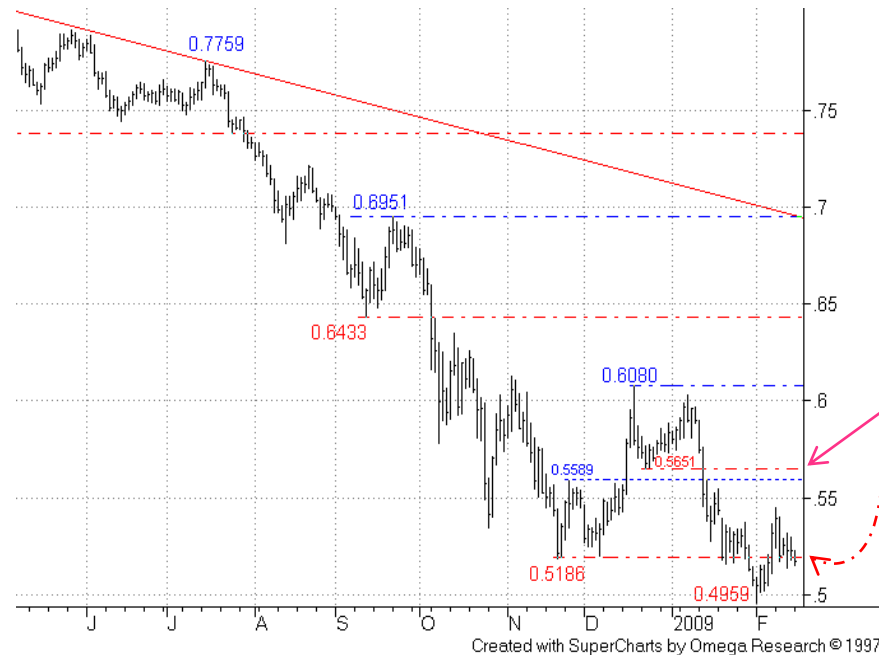
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



NZ Dollar US Dollar – Daily Chart:

The recent bear break of the Nov 0.5186 low has been short-lived so far, and still keep in mind that nearby long term 76.4% level on the Monthly chart, currently limiting downside.

First interesting resistance lies at the 0.5651 23-Dec low, which currently coincides with a small 61.8% rebound level (not shown) – a break through this would be a bullish sign.

Meanwhile we maintain a sidelined stance for now, wishing to see a better rebound from the long term 76.4% area before turning bullish.



US Dollar SA Rand

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

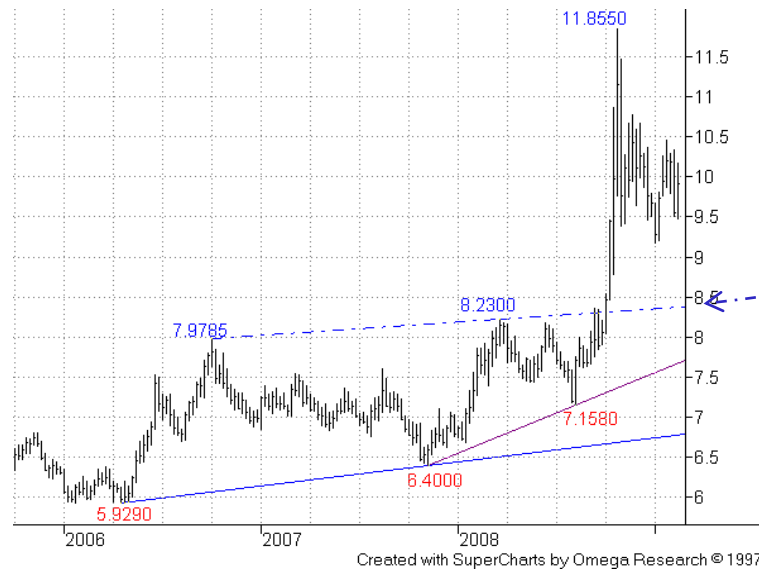
Disclaimer



US Dollar SA Rand – Monthly Chart:

In 2008 there was a marked acceleration up to the 76.4% level.

Clear resistance was found here.



US Dollar SA Rand – Weekly Chart:

A deeper pullback here could well test the old resistance/return line.



US Dollar SA Rand

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



US Dollar SA Rand – Daily Chart:

Recent weakness within the bear channel has found support near the 9.5000 area – as we suggested it could (this was close to a small 76.4% retracement which has worked very well as s/term support here).

Bear risk would increase if this support broke.

This is a modest positive sign, but bulls still need a break above the channel top (just under 10.5000 currently) for a better signal.

We maintain a sidelined stance for now, but lean towards the bull camp s/term.



US Dollar SING Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



US Dollar SING Dollar – Monthly Chart:

Recovery off the Jul-08 low found good resistance from the 38.2% retracement of the major fall from the Dec-01 peak.

A decent pullback was triggered.

At a later stage a recovery to put further pressure on this 38.2% is anticipated.



US Dollar SING Dollar – Weekly Chart:

We don't know yet if further weakness is to follow, but note that the old falling resistance/return line has so far provided excellent support.



US Dollar SING Dollar

Summary

MAJORS

- + Euro Dollar
- + Dollar Yen
- + Dollar Swiss
- + Sterling Dollar
- + US Dollar Index

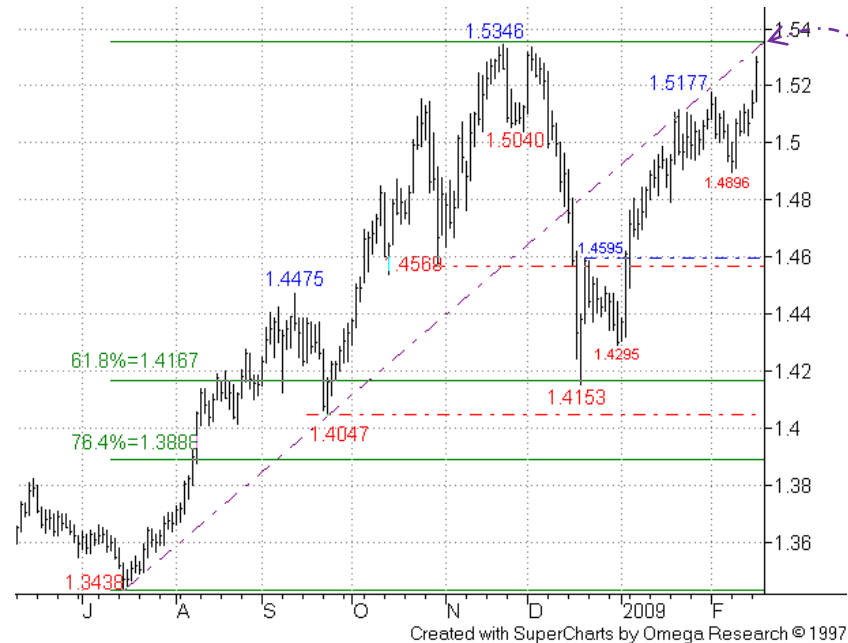
CROSSES

- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

MINORS

- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



US Dollar SING Dollar – Daily Chart:

The correction from 1.5177 02-Feb high was short-lived. We had expected a better one.

At this stage still note potential resistance from the old rising return line (effective in Jan), which now coincides with the Nov peak of 1.5346 – there is a Fibo projection around here too.

We must still be prepared to see a s/term struggle by bulls, and a better pullback before a proper break through the Nov peak.

First interesting support is around the 1.4896 09-Feb low.

We adopt a sidelined stance for now.



SEVEN DAYS AHEAD

Authorised and Regulated by the FSA

124 REGENTS PARK ROAD LONDON NW18XL

TEL +44 (0) 7849 922573 E-MAIL msturdy@sevendaysahead.com,
pallwright@sevendaysahead.com

WEB SITE SEVENDAYS Ahead.COM

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

The material and information herein is general and for informational purposes only. Although Seven Days Ahead endeavours to provide useful information they make no guarantee as to the accuracy or reliability of the research.

The derivative market comprises volatility and considerable risks. To the maximum extent permitted by law no responsibility or liability can be accepted by Seven Days Ahead, any company or employee within its group for any action taken as a result of the information contained in this presentation. You are requested not to rely on any representation in this research and to seek specific advice from your accountant, legal adviser or financial services adviser when dealing with specific circumstances.

Seven Days Ahead is regulated by the UK Financial Services Authority.

[Back to main menu](#)