



Week 09

04th March – 10th March 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** but recovery phase is still anticipated very soon
Stay **BULLISH** pullback risk now grows after our 50% 99.00 target is neared
Stay **BEARISH** recent key reversal day remains a valid bear sign
Stay **SQUARE** bull trigger not yet seen, 1.4660/1.4984 are resistance levels
Stay **SQUARE** s/term pullback not been seen yet, but upside uncertain right now

CROSSES

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

Stay **BULLISH** bull break seen, s/term resistance from 23.6% level
Stay **SQUARE** 0.8552/55 now represents key support – is rebound due before this can be tested?
Stay **BULLISH** trying to base above a 76.4% support
Go **BULLISH** bullish inverse Head & Shoulders completed

MINORS

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

Stay **BULLISH** now targeting towards 1.3000 – and can go higher
Stay **BULLISH** key 0.6300 76.4% support under pressure – quick recovery now needed
Stay **SQUARE** downside currently limited by nearby long term 76.4% level
Go **BULLISH** initial bull break above a channel top now seen
Stay **SQUARE** s/term recovery now up against key resistance area

Disclaimer



MAJORS

In **EUR/USD** a s/term base is trying to form, but further bull signals are needed. **USD/CHF** recently saw a bearish Key Reversal Day, and this remains valid for now. We have been bullish in **USD/JPY** for a while now, but nearby 50% resistance could prompt a pullback. **GBP/USD** has not yet given a bull signal, so we must be cautious. The recent **US Dollar Index** bounce had looked tired, but s/term bulls refuse to leave the party just yet.

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.

More



Euro Dollar

Summary

MAJORS

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

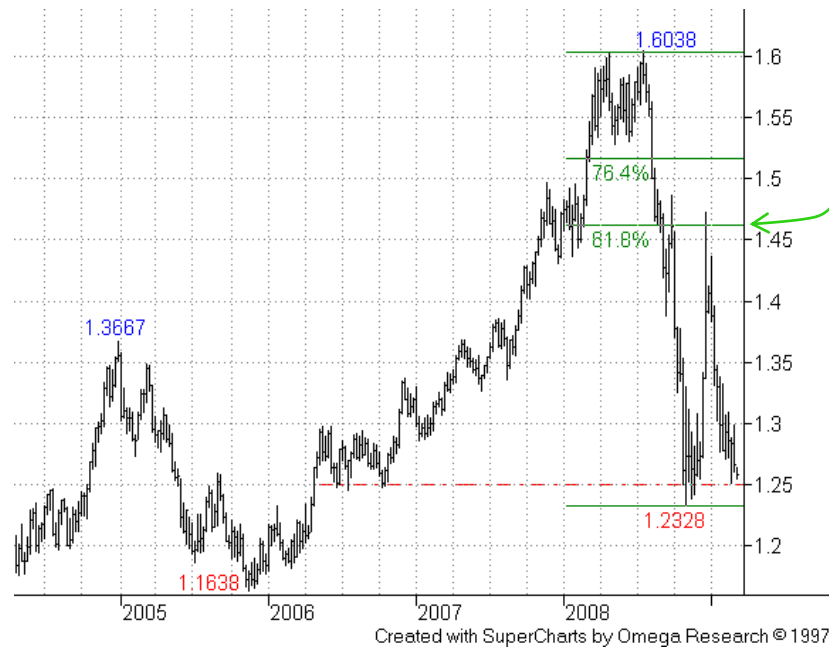
CROSSES

- + 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,

although a shorter term rebound is thought quite likely (see Daily chart).



Euro Dollar

Summary

MAJORS

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

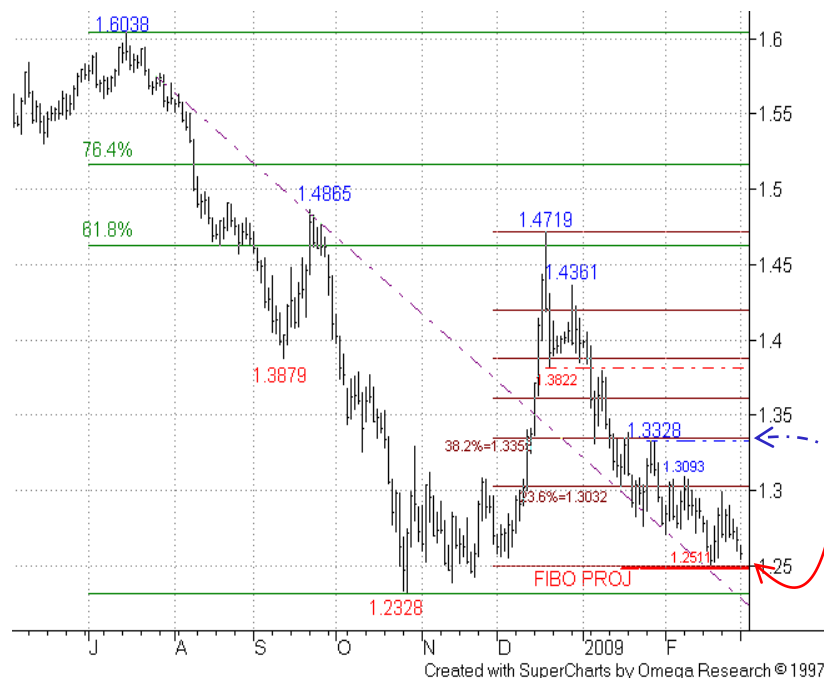
CROSSES

- + 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:

We have had a 1.2470 Fibo projection marked on the chart for several weeks now. The recent 1.2511 low is holding following lacklustre action recently - is it still time for a rebound..?

The chart structure suggests that the downmove from Dec high has matured, implying limited downside now.

We have not had the useful signal that we got in USD/CHF (key reversal day) so, erring on the side of caution, we await a recovery through the 1.3093 09-Feb high (& nearby 23.6% level) for our bull trigger – that 23.6% level has proved effective resistance s/term.

Buyers on dips would then be favoured, targeting the 38.2% area next.

Meanwhile we maintain a s/term sidelined stance.



Dollar Yen

Summary

MAJORS

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

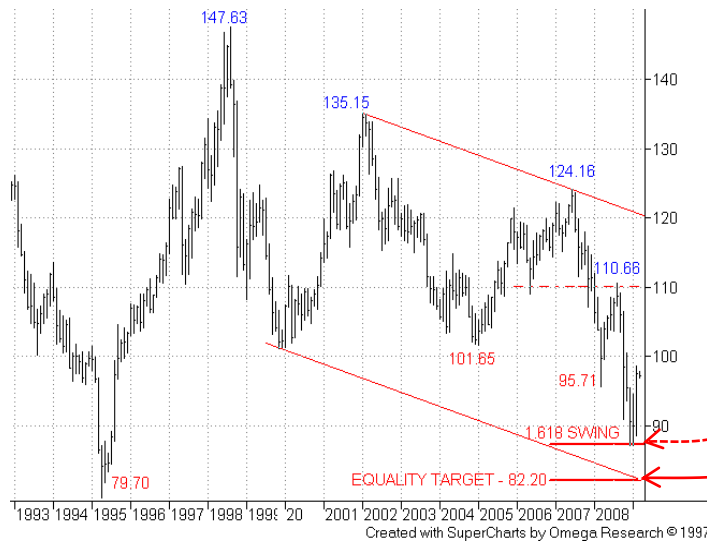
CROSSES

- + 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

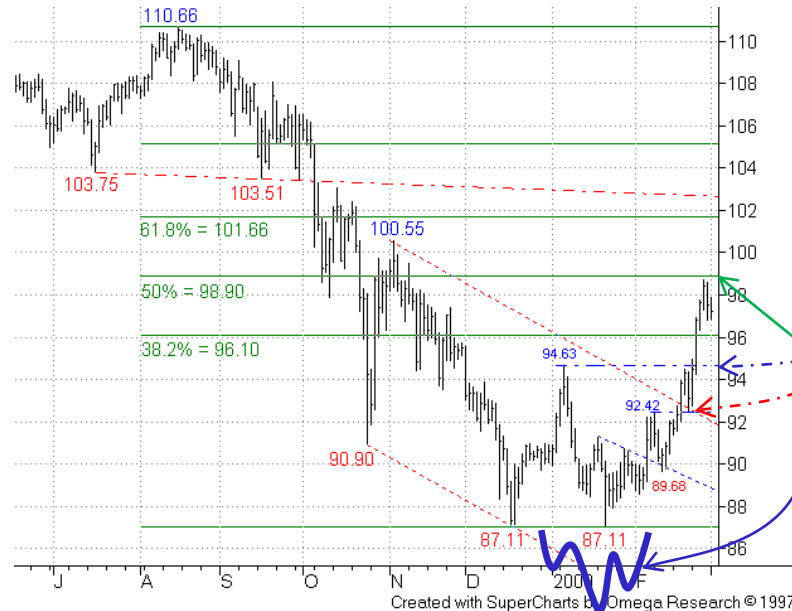
CROSSES

- + 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:

There have been bull signs since the completion of that small inverse Head & Shoulders

– the more recent were the breach of the bear channel top projection, then the breach of the 94.63 06-Jan high, completing a base.

We then targeted towards the 50% level near 99.00.

50% can be very effective in JPY-related markets sometimes – we would not be surprised to see a s/term pullback from around here.

First support comes from around the 94.63 06-Jan high.

Any earlier longs will have had partial profits near 93.00 as suggested, then around 96.00, probably closing any balance at current levels. Fresh buyers may look closer at entry levels on a pullback towards 94.63.

We maintain an overall bullish stance for now.



Dollar Swiss

Summary

MAJORS

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

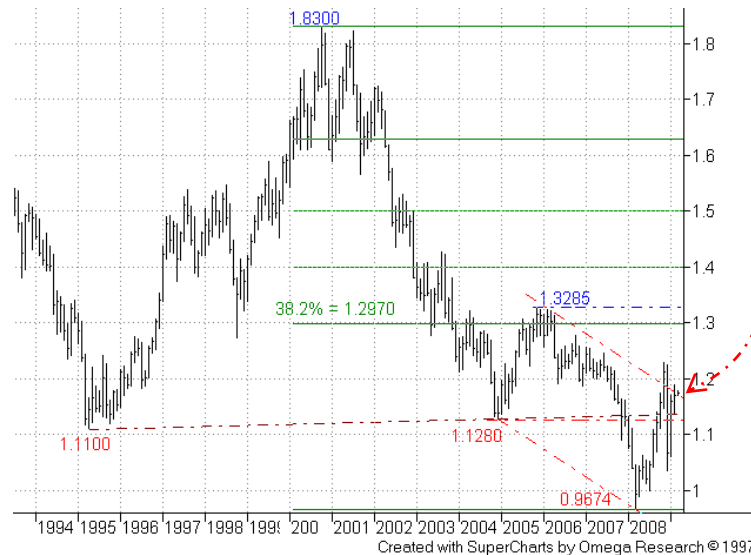
CROSSES

- + 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

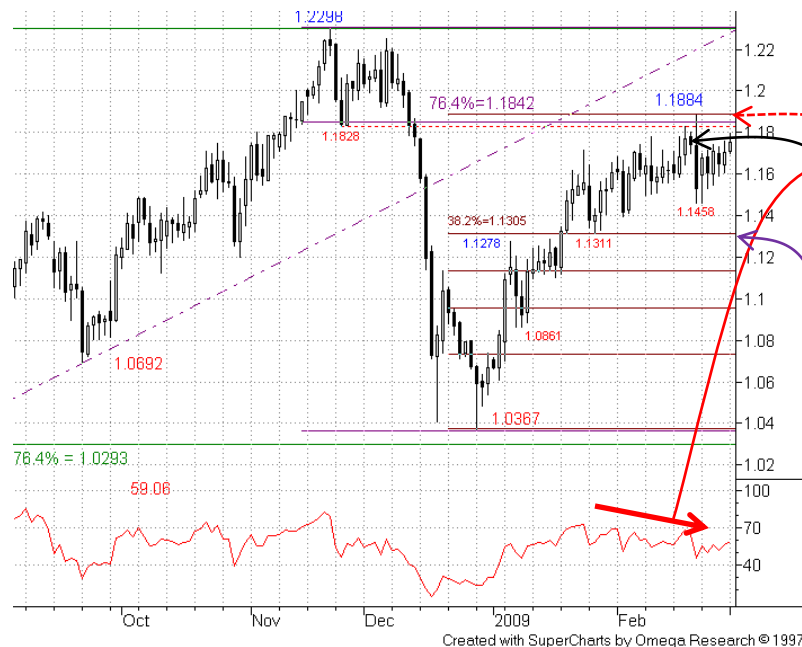
CROSSES

- + 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:

A recent negative RSI divergence implied bull fatigue.

And, after briefly piercing the 1.1842 76.4% level, a drop back produced a **Key Reversal Day** on 20-Feb. This made us s/term bearish.

We still hold this view while 1.1884 high isn't breached, and a drop below the 1.1458 20-Feb low would be useful confirmation.

The first interesting support comes from 1.1278/1.1305/1.1311 (06-Jan high/38.2%/27-Jan low) – our initial target, below which would give s/term bears a boost.

Any recent shorts will likely have initial stops just above the 1.1884 high, targeting towards 1.1305 for partial profits.

We maintain a s/term bear stance now.



Sterling Dollar

Summary

MAJORS

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

CROSSES

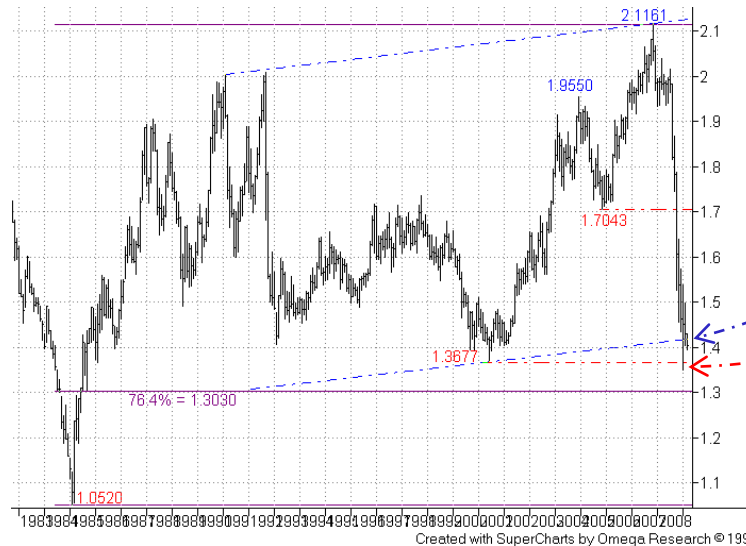
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

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 broke below the long term channel base projection (a further sign of momentum loss).

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

Sterling Dollar – Weekly Chart:



We still think it is worth noting two things to note here:

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:

The old support/return line has been quite effective as s/term support, but we still keep in mind the small 1.3850 76.4% pullback level too.

At this stage we wish to see a recovery through the small falling resistance line , near to the 1.4660 23-Feb high – so a close above here would be an initial bull trigger for us, perhaps above the 1.4984 09-Feb high a better one.

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

Buyers triggered by at least a close above 1.4660 would likely favour initial stops below the latest correction low at the time.

We maintain a sidelined stance at the moment.



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

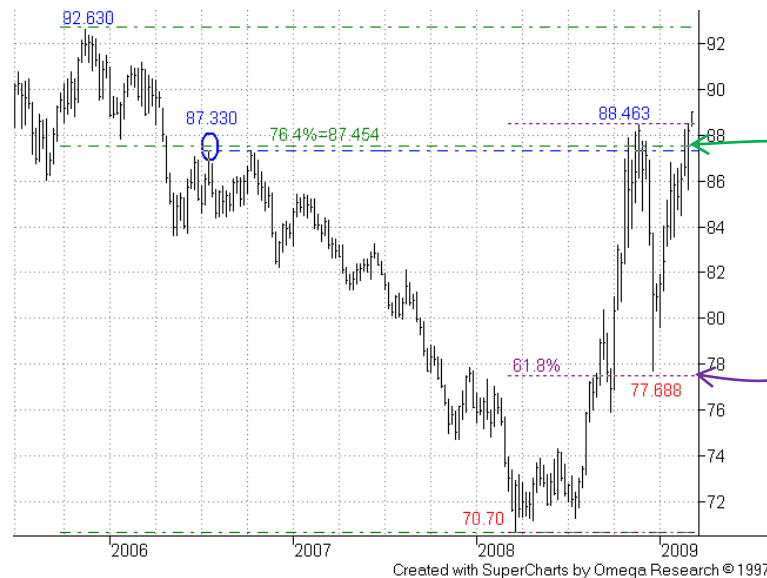


US Dollar Index – Monthly Chart:

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.

Focus is now on the 38.2% area, around 90.00 – possible resistance.



US Dollar Index – Weekly Chart:

The bounce off a former 61.8% retracement area was seen as a precursor to another upmove that pushed beyond the 88.463 Nov high.

This is being seen, but we are reluctant to chase the market up here.



US Dollar Index

Summary

MAJORS

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

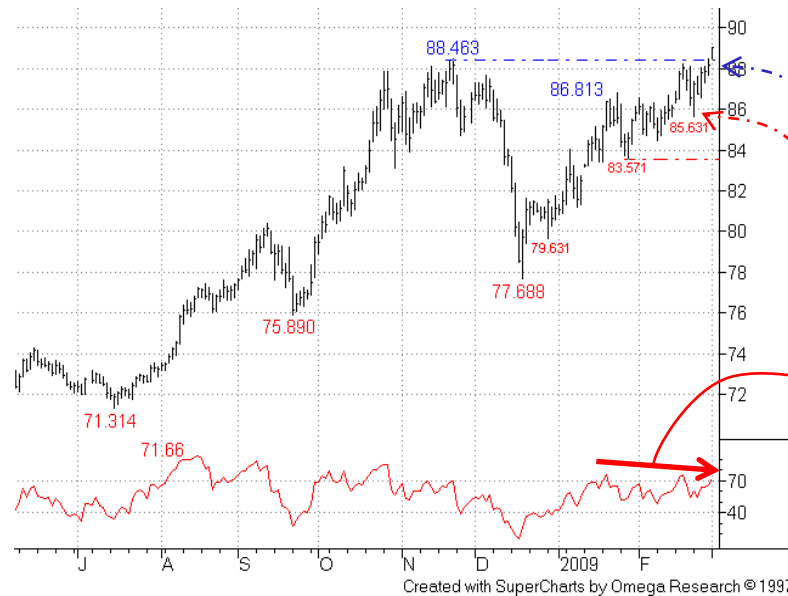
CROSSES

- + 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:

We had been thinking that the chart structure suggested a shorter term pullback was likely before a decent assault on the 88.463 Nov high.

This hasn't occurred, but we are loath to chase the price up here.

Perhaps worth noting a modest negative divergence on the RSI now.

At this stage a drop below the 85.631 23-Feb low would be a negative sign.

We maintain a s/term sidelined stance for now.



CROSSES

EURJPY has stayed bullish after a recent s/term bull trigger, 131.00 the next target. After recent weakness in **EURGBP** key support in the 0.8550s remains untested, with s/term scope for a bounce. **EURCHF** looks to be in recovery mode still after earlier testing a 76.4% support level. In **GBPJPY** a reversal pattern completed, favouring s/term bulls now.

Summary

MAJORS

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

CROSSES

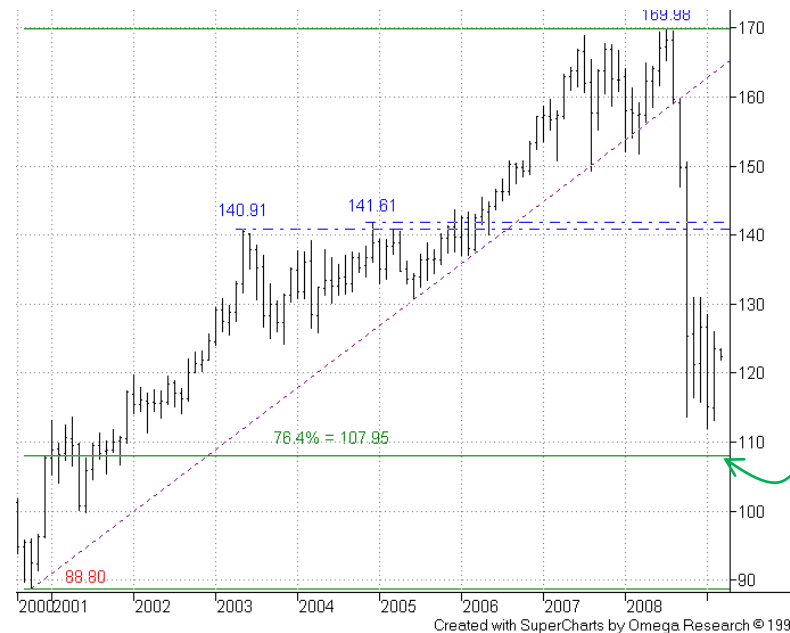
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

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

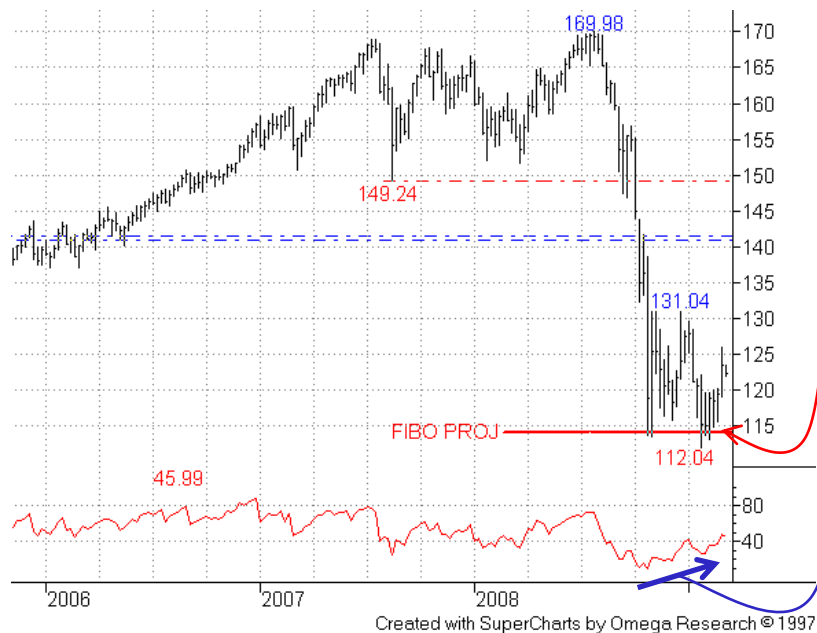
CROSSES

- + 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 again came under pressure recently, but only briefly eroded.

Now note a positive divergence on the Weekly RSI.



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:

Our bull trigger was activated recently – a break of the falling resistance line and a close above 120.00.

We still target a return to the 131.00 area, a close above which would see a base completed (but keep in mind the 38.2% potential resistance not far above).

So far, s/term resistance has come from the 23.6% area, so a push through this would be a useful boost.

Ideally the 120.00 area will provide support, but this is not vital.

Any earlier longs triggered will probably have taken partial profits around the 125.70 23.6% level as suggested, also targeting 131.00 area for more, stops perhaps still just below 115.00 for now, but looking to raise after 23.6% is exceeded.

We maintain a bullish stance now.



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

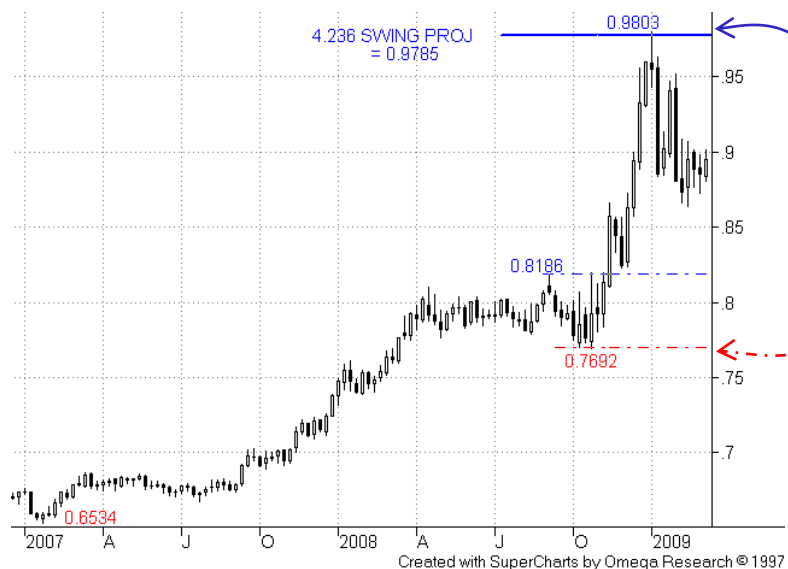
Disclaimer



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 was 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:

So far, support has come 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.

As before, a recovery through the 12-Feb 0.9072 high would be s/term bullish – this is perhaps looking more likely now.

We maintain a sidelined stance for now, prepared to be s/term bullish above that 0.9072 high.



Euro Swiss

Summary

MAJORS

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

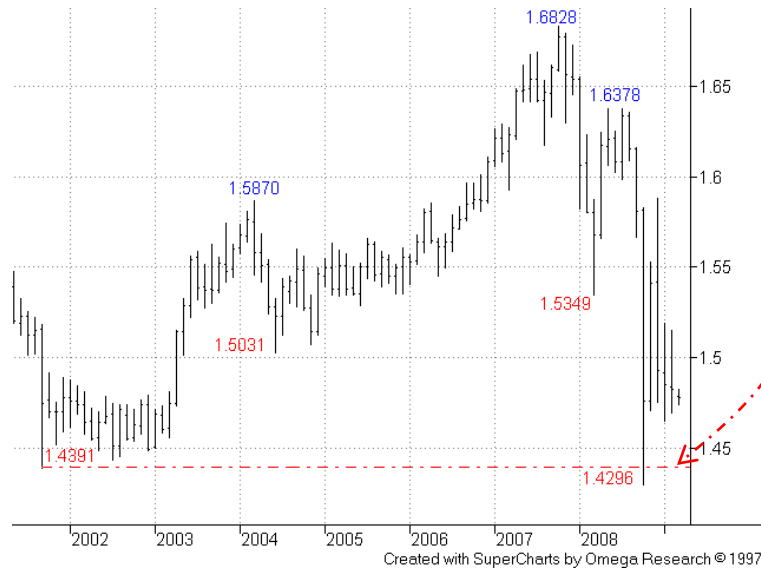
CROSSES

- + 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

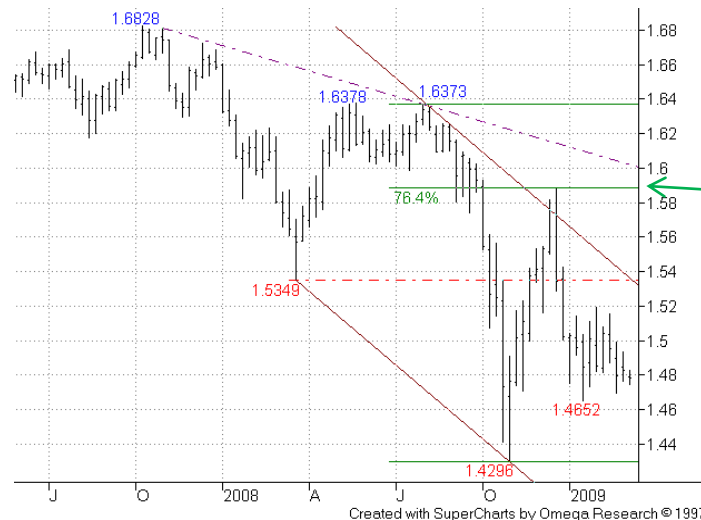
Disclaimer



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

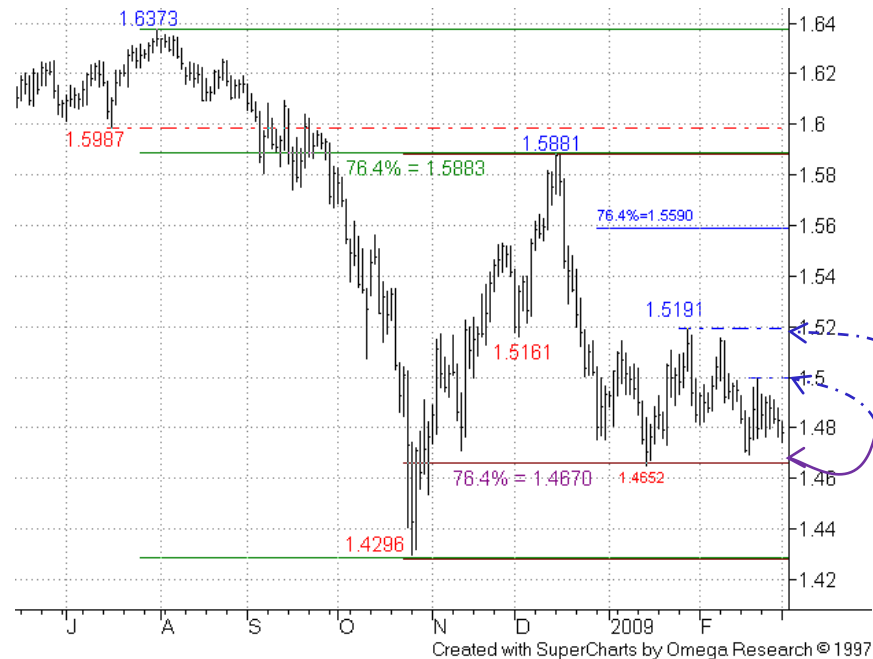
CROSSES

- + 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:

The Jan 76.4% support level has stayed effective for now.

Should this plus the 1.4652 14-Jan low be broken, this would be a negative sign.

Meanwhile we may assume that a small base is trying to form below the 1.5191 28-Jan high – and a break above this would initially target the 1.5600 area (76.4% again).

An earlier bull signal would be a close above 1.5000.

There remains 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

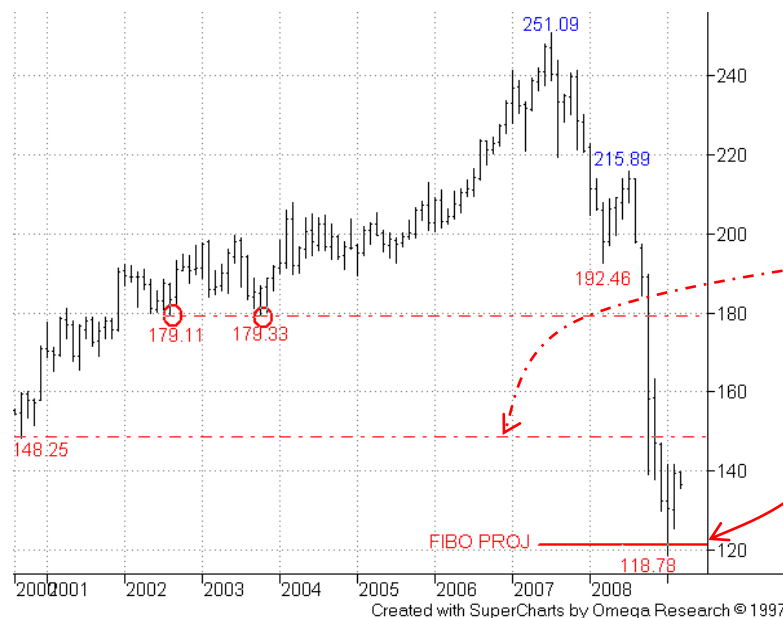
CROSSES

- + 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 (price has more than halved over the last two years) 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, hinting at a trend reversal...



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:

The recent close above the small resistance line, possible neckline of an inverse Head & Shoulders was a bull signal – but we took a close above the nearby 137.31 09-Feb high for our bull trigger, now activated.

A further break above the 141.53/70 area (07-Jan high and 23.6%) would be a further boost – so far this has proved excellent s/term resistance.

Then target the 153.75/155.88 area (a Fibo projection and 38.2% level).

The 127.03 12-Feb low is currently key support (that neckline is first support though) – a drop below 127.03 would negate the s/term bull picture.

Buyers on modest dips will initially favour stops below this low, targeting that 153.75/155.88 area for partial profits.

We adopt a bullish stance now.



MINORS

USD/CAD's bounce off a (former) 76.4% support level has continued going. **AUD/USD** remains above a long term 76.4% level, but the s/term picture needs to improve quickly. **NZD/USD** has tested its long term 76.4% support now, and we await better reaction around here. **USD/ZAR** has made a bullish break, after a recent consolidation period. S/term **USD/SGD** gains have continued, so far dampening expectations of a pullback.

Summary

MAJORS

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

CROSSES

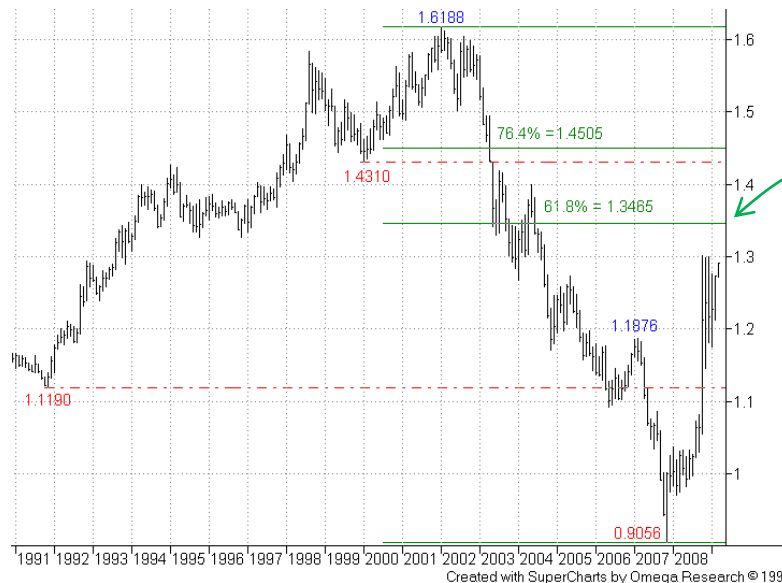
- + Euro Yen
- + Euro Sterling
- + Euro Swiss
- + Sterling Yen

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:



We have been right to stay bullish.

Recovery off a former 76.4% support level has now seen a breach of the 1.2764 21-Jan high, boosting momentum, and targeting the 1.3000 area next.

Ideally support will be at/above the 1.2355 23-Feb low now.

Any recent buyers, with profits around the 1.2600 level, now aim towards 1.3000 for more, stops likely just below 1.2355.

We maintain a 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

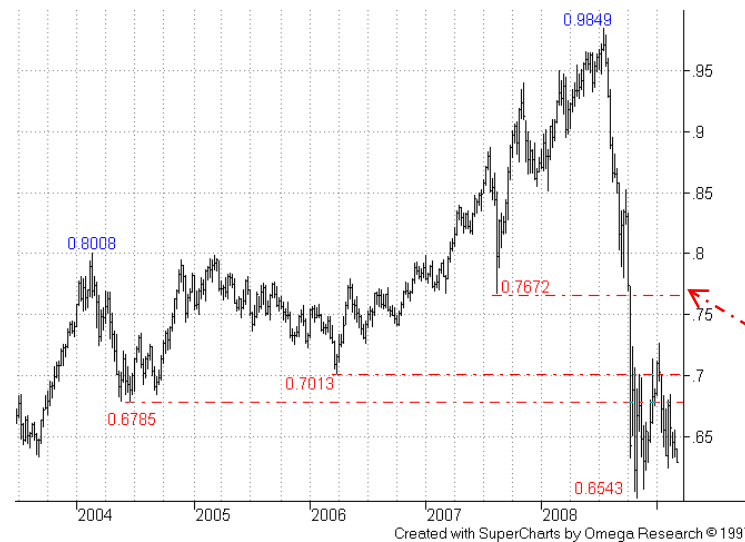
- + US Dollar CAD Dollar
- + AUS Dollar US Dollar
- + NZ Dollar US Dollar
- + US Dollar SA Rand
- + US Dollar SING Dollar

Disclaimer



AUS Dollar US Dollar – Monthly Chart:

Losses in 2008 found good support from the 76.4% retracement level (now being tested in NZD/USD).



AUS Dollar US Dollar – Weekly Chart:

The earlier 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.

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:

The 76.4% level at 0.6300 has stayed under pressure s/term (a minor close seen below this on Mon).

A break of the 0.6245 02-Feb low would likely see a retest of the 0.6004 Oct low.

Meanwhile a recovery above the 0.6849 09-Feb high would be a modest bull trigger.

This would restore some confidence in a recovery scenario.

Speculative buyers on dips will likely have initial stops just below that 0.6245 low, aiming towards that 0.6849 high for partial profits.

We currently cling to our aggressive s/term bullish stance, 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

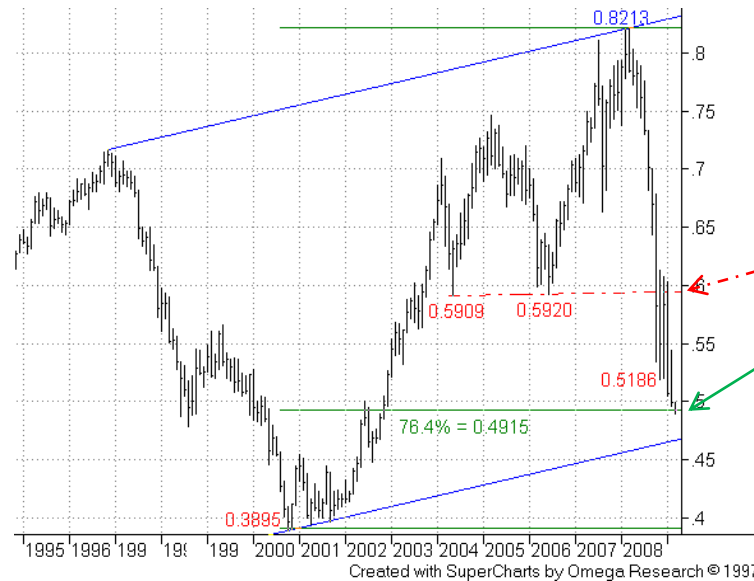
CROSSES

- + 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

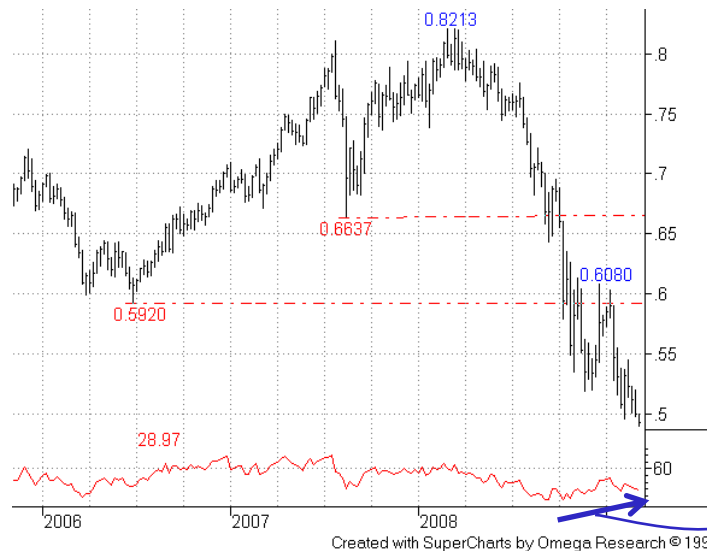
Disclaimer



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 come under pressure – 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:

Evidence of a positive RSI divergence, suggesting bear fatigue, is still visible. but nothing has come of this 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:

S/term bears continue to emerge from the woodwork, but support from the falling support line (0.4850 currently) has kept intact.

We still keep in mind the nearby long term 76.4% level on the Monthly chart, currently limiting downside.

As before, a close above the 0.5446 09-Feb high would be a s/term bullish signal.

The 0.5651 23-Dec low also offers resistance but, in the end, the small bear channel top projection (0.5900 currently) must be overcome.

We maintain a sidelined stance for now, still awaiting a better reaction around the long term 76.4% area.



US Dollar SA Rand

Summary

MAJORS

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

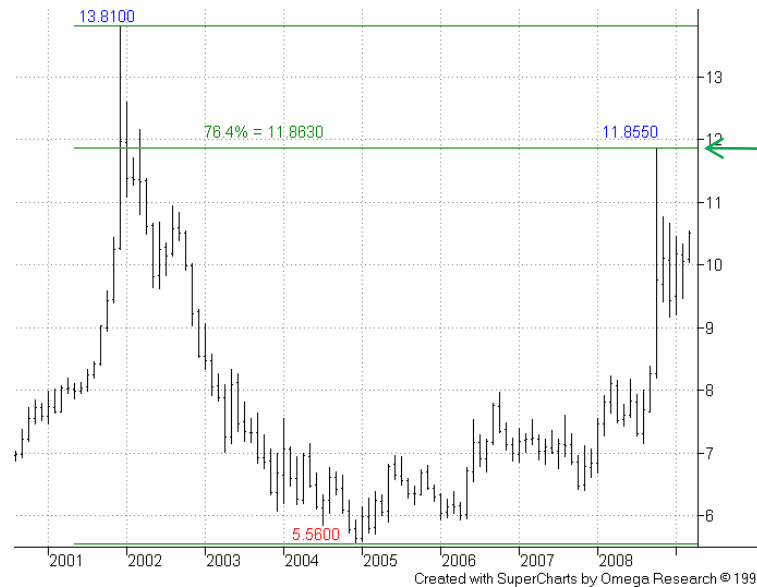
CROSSES

- + 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

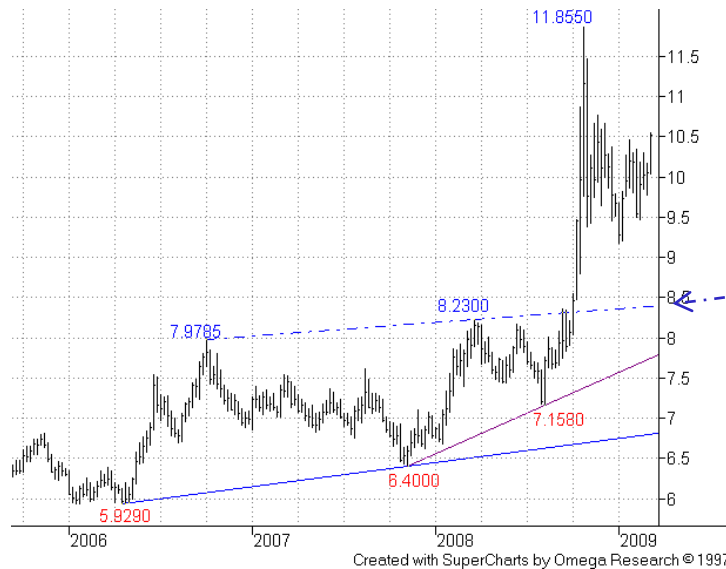
Disclaimer



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, but this may not occur just yet.



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:

For some time now we have been watching price action within a bear channel we had drawn in.

Following support found from the 9.5000 area there has now been an initial close above the projected channel top.

This triggers us bullish.

First target the 10.7700/8300 area (21-Nov high/61.8%). Resistance may well be seen here, but later strength should be there to test the higher 11.2200 76.4% area.

Ideally s/term pullbacks will find support at/above the 9.7755 26-Feb low now.

Buyers on modest dips will likely have initial stops below that 9.7755 low, targeting towards 10.7700/8300 area for partial profits.

We adopt a bullish stance now.



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 earlier found good resistance from the 38.2% retracement of the major fall from the Dec-01 peak.

This is now being eroded – we had expected this, but not so soon.



US Dollar SING Dollar – Weekly Chart:

The old falling resistance/ return line provided excellent support in Dec.

As price moves higher the next resistance of note on this chart is the 1.5678 61.8% level of the Nov-05/Jul-08 downmove.



US Dollar SING Dollar

Summary

MAJORS

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

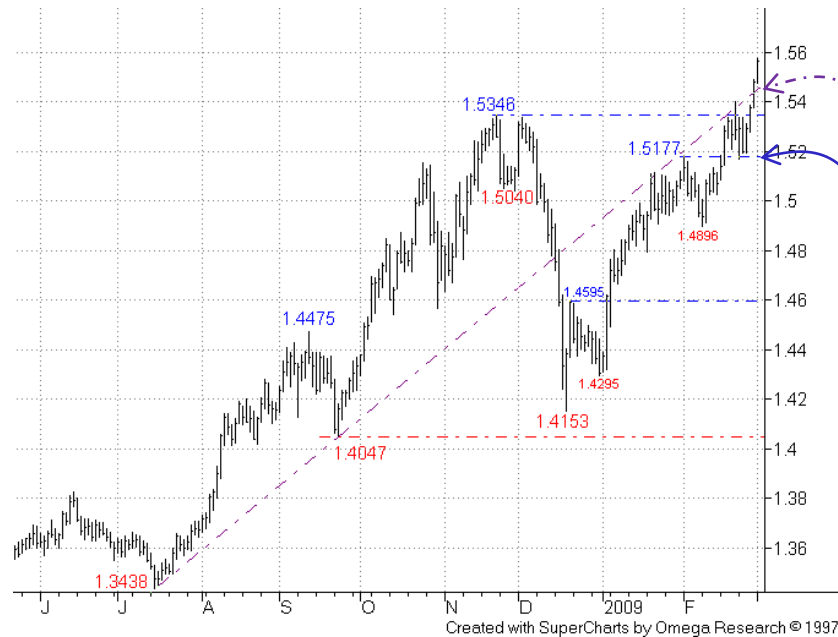
CROSSES

- + 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:

We were expecting to turn bearish very soon, but latest strength puts this idea on hold.

The previous recovery peak of 1.5346 from Nov-08 has been breached, as has that old rising return line.

But s/term we are uncertain if a decent break higher is now to occur – the structure of the whole upmove from Dec low has a mature appearance.

At this stage first support remains around the 1.5177 02-Feb high (effective last week), with a close here to be an initial bear signal.

We maintain 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](#)