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## Market Update

04<sup>th</sup> February 2010

### Bulls Eye Next Target in US Dollar Index

The expected recovery in the US Dollar is now nicely underway. With a second upleg in process our focus is on the next target/resistance area, where the uptrend is likely to pause.

#### The FX Trader's view



#### MONTHLY CHART:

The main sign in 2008 that long term bears were losing momentum was the breach of the bear channel top projection.

Subsequent resistance from around the 38.2% recovery level prompted a pullback.

Note that the 76.4% pullback area provided quite nice support.

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## DAILY CHART:



After the first upleg in Dec and temporary pullback, a second upleg has got underway, aided by a better break of the 23.6% level.

Next upside focus begins at 80.00 , the 38.2% recovery level, but also note the s/term bull channel top projection currently coinciding with an equality target at 80.90 ('74.170-78.449' upleg extended off 76.601 low). We would be on the lookout for resistance up here.

At present first support comes from the channel base around 78.00, ahead of the 76.601 13-Jan low. Ideally this latter will hold else the expected continued recovery would be delayed.

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