The **FX Specialist Guide** deals with these and many other markets in much more detail over multiple time-frames. For more details and information about **Seven Days Ahead**'s other trading guides, and

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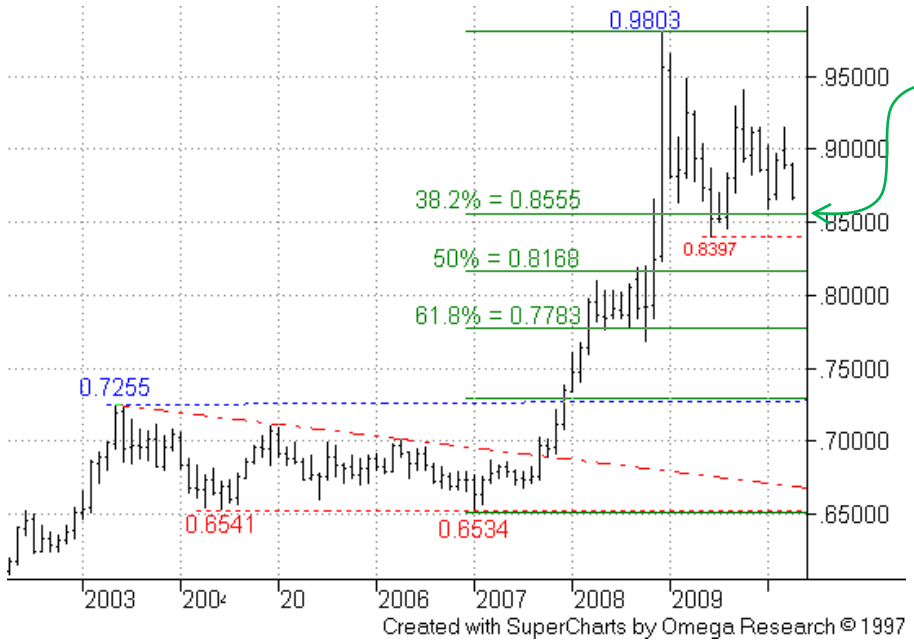
Market Update 22nd April 2010

EUR/GBP Slip Unnerves the Bulls

A short term bull signal seen earlier this year has essentially been negated now, following a deep pullback. Latest weakness has turned focus on key supports, and increases speculation that the EUR/GBP cross could be topping out.

The FX Trader's view



MONTHLY CHART:

So far, the long term 38.2% retracement has proved supportive, but failure to move decisively away from this threatens to put it under pressure once more

A break below here and the Jun-09 low near 0.8400 would favour medium term bears.

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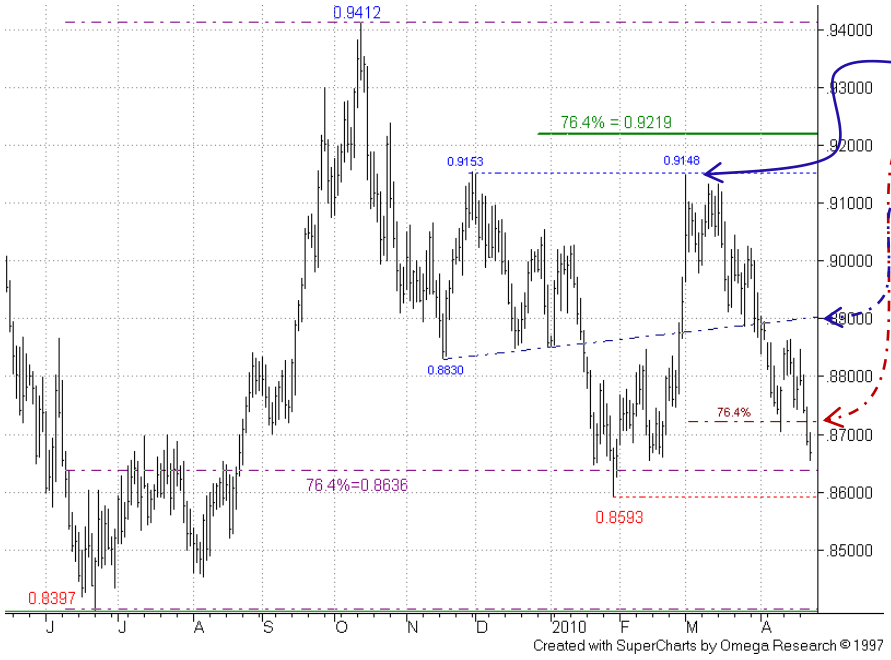

DAILY CHART:

After clear failure at resistance near 0.9150 the subsequent deep pullback recently found support from a 76.4% level. Bulls needed (and still need) a recovery back through the old return line around 0.8900 to see downside risk start to fade.

But 76.4% support has given way now, exposing the 0.8593 Jan low (itself near to a longer term 76.4% level).

A degree of support is likely here, but later failure would then see little in the way of a return to the Jun-09 low – further downside targets would also be explored in future editions of the **FX Specialist Guide** (e.g., the first interesting Fibo projection would come in around 0.8300).

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Mark Sturdy

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