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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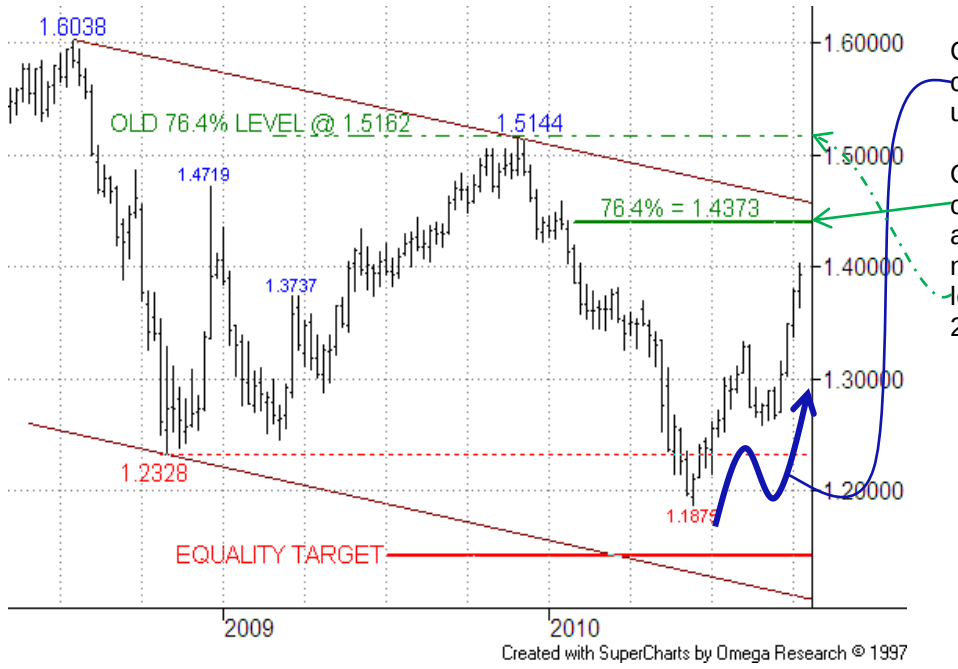
Market Update 08th October 2010

EUR/USD Bounce Closing in on Stronger Resistance

The recovery in EUR/USD from a Jun low has turned out impressive, with a second bull leg now well underway. This has started to reach certain interesting resistance levels which the market could find tough to overcome.

The FX Specialist view

WEEKLY CHART



Currently a 3-wave, corrective structure is unfolding in the recovery.

On this chart note the current 76.4% 1.4373 level as potential resistance, and note how a former 76.4% level was effective in late 2009.

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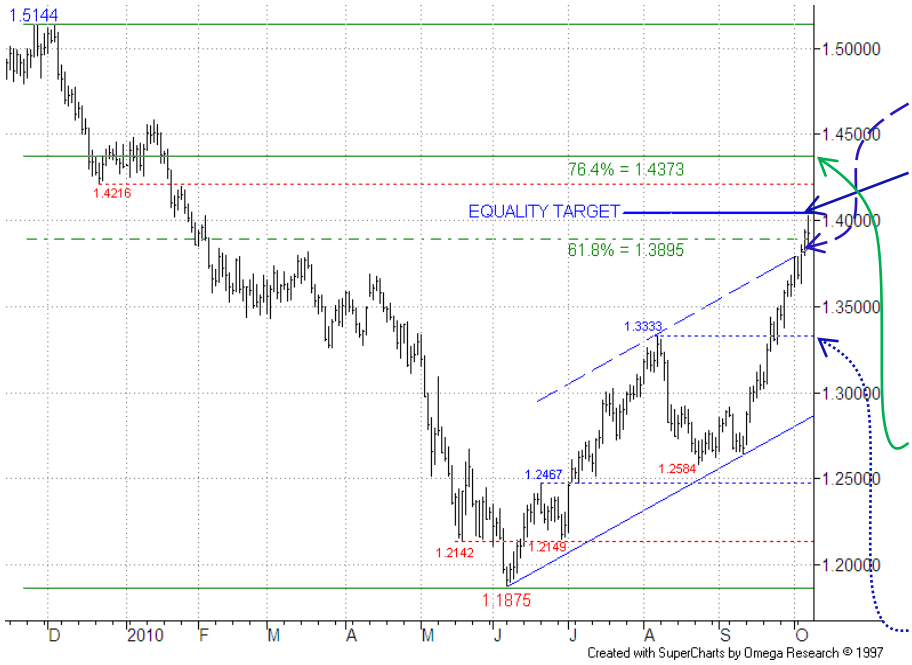

DAILY CHART:

Recovery through the 1.3333 06-Aug high has now breached the bull channel top projection to test our next technical level at 1.4040, an equality target that extends the Jun/Aug upleg off 24-Aug low.

Temporary resistance would not surprise here, but the s/term chart structure remains very positive.

Possible stronger resistance is offered by the higher 1.4373 76.4% retracement level. *Currently we view the recovery as temporary, within the context of a longer term bear trend.*

First notable support comes from the 1.3333 06-Aug high but, at this stage, it wouldn't be until the 1.3000 area was broken that bull momentum could finally be said to have dried up.

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