



30th September 2011

Market Update:

Dual Retracement Support Should Prompt EUR/USD Bounce

UPDATE
Technical





Dual Retracement Support Should Prompt EUR/USD Bounce

Following some relatively choppy action in EUR/USD this summer September has been marked by a return of the bears. Interesting, probably temporary, support has now been tested and a rebound would not now surprise.

UPDATE Technical



WEEKLY CHART:

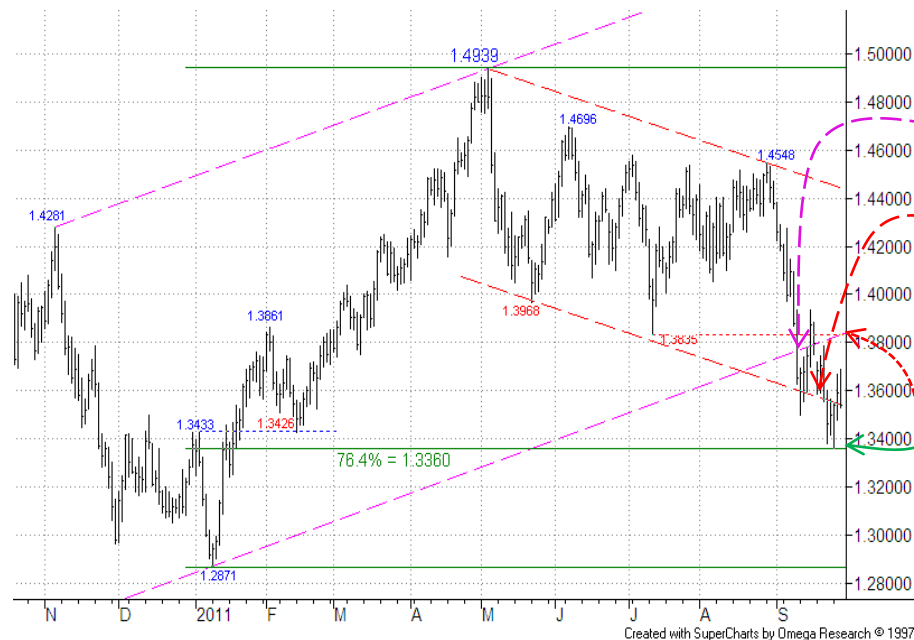
Bears have been encouraged by the recent break of rising support, ahead of the 38.2% pullback level.

Potential support is now offered by the 50% level – and see below.



Dual Retracement Support Should Prompt EUR/USD Bounce

UPDATE Technical



DAILY CHART:

Recent breach of the bull channel base projection strengthened the bear case.

Note how the bear channel base was violated, but the 1.3360 76.4% pullback level has been tested – this can sometimes be effective in EUR/USD so we await reaction here, with a temporary bounce looking likely.

Any rally is assumed to be temporary, first resistance offered by the 1.3835 12-Jul low, with old channel base currently coinciding with this.

More



UPDATE Technical

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 SEVENDAYSAHEAD.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.