



06th December 2012

Market Update:

Is EUR/GBP Trying to Base?

UPDATE
Technical





Is EUR/GBP Trying to Base?

After a year-long downtrend in EUR/GBP support was found in July. Ensuing recovery found initial resistance and the cross has recently recovered towards this. A clear break higher would see a base formation completed.

UPDATE Technical



WEEKLY CHART:

The recovery has already seen the 23.6% retracement exceeded. If a base is completed – see below – then focus would then be on the 0.8261 38.2% level, but the strength should be there to push on to the higher 0.8418 50% level.



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DAILY CHART:

Support from the old 0.7947 Mar low recently worked well and the cross has recovered towards earlier resistance around the 0.8153/64 highs. A clear break above these would complete a base formation (inverse head & shoulders) and herald glad tidings for the bulls.

At this stage the positive outlook would turn sour upon a reversal below the 0.7958 08-Nov low.

More



UPDATE Technical

SEVEN DAYS AHEAD

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