

Monday, 18 August 2008

Technical Views

Technical Levels For The Week Ahead (18 - 22 August)

USD/SGD (Spot : 1.4143)

USD/SGD saw continued strength last week, to nearly touch 1.4200 double bottom objective. Key barrier at 1.4215 55-week MA, also 38.2% retracement of the larger 1.5455-1.3440 Jun 2007-July 2008 downmove.

Bulls need a sustained violation of 1.4215 for further rally to 1.4255 congestion then 1.4300 ahead of 1.4365 previous Nov 2007 congestive lows.

Failure to surpass 1.4200/1.4215 however, calls for a pullback to 1.4015/1.4000. Under 1.4000 psychological support offers up deeper setback to 1.3955/1.3930 then 1.3830 key violated 4-month double bottom neckline.

EUR/USD (Spot : 1.4732)

| Currency | USD/SGD | EUR/USD | USD/JPY | GBP/USD | AUD/USD | NZD/USD | USD/MYR |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Resis 3 | 1.4365 | 1.5000 | 113.00 | 1.9035 | 0.9000 | 0.7285 | 3.3900 |
| Resis 2 | 1.4300 | 1.4920 | 112.10 | 1.8885 | 0.8865 | 0.7175 | 3.3715 |
| Resis 1 | 1.4215 | 1.4810 | 111.25 | 1.8785 | 0.8795 | 0.7100 | 3.3600 |
| Spot | 1.4143 | 1.4732 | 110.10 | 1.8687 | 0.8720 | 0.7077 | 3.3400 |
| Supp 1 | 1.4015 | 1.4660 | 109.00 | 1.8510 | 0.8590 | 0.6940 | 3.3190 |
| Supp 2 | 1.3930 | 1.4550 | 108.35 | 1.8400 | 0.8510 | 0.6820 | 3.3000 |
| Supp 3 | 1.3830 | 1.4370 | 107.45 | 1.8290 | 0.8430 | 0.6640 | 3.2935 |

Another bearish week for EUR, after the previous week's long black candlestick confirmation of the major double top breakout at 1.5285 May low, as bears further pushed the EUR below 55-week MA, now at 1.4920.

Threat seen on 1.4660 interim low to uncover 1.4550 double top objective. Below offers 1.4440 congestion then key 1.4370 38.2% retracement of the 2005-2008 rally ahead of 1.4310 Dec 2007 swing low.

Immediate resistance at 1.4810 then 1.4850 congestion, but only above 1.4920 then 1.4980 interim high stabilizes recent bearish tone, for some relief bounce back above 1.5000 psychological barrier to 1.5060 congestion then 1.5100. Key reversal resistance now at a distant 1.5285 (double top neckline).

USD/JPY (Spot : 110.10)

USD/JPY spent the week hovering around key 109.85 50% retracement, after previous week's violation of 108.35/60 Feb/Jun congestive peaks. Support now at 109.00 minor July support line. Break below risks setback to 108.60/35, but bears return only with loss here, for deeper losses within the bull channel, to 107.45 then 106.25 Mar 2008 bull channel support line.

Bulls need a break above 110.65 for continued strength to 111.25 then 112.10 minor July bull channel resistance line ahead of 113.00 Mar 2008 bull channel resistance line, shielding 113.25 61.8% retracement.

GBP/USD (Spot : 1.8687)

Another weak week for GBP, as it weakens further, after the earlier week's break of the 18-month major Head and Shoulders neckline (now at a remote 1.9440).

Daily hammer/doji warns of room for some sort of rebound, but expect this to be corrective in nature, and limited to 1.8785 then 1.8835 congestion, before bears return for another bout of sell-off, through 1.8510 hammer low to uncover 1.8400 then 1.8290 38.2% retracement of the major 2001-2007 rally. Below offers 1.8090 then 1.8000 psychological support.

Market needs a push above 1.8885 to stabilize recent bearish tone, for a deeper rebound to 1.9000 psychological support then 1.9035.

AUD/USD (Spot : 0.8720)

Another black candlestick for AUD/USD this week after earlier weekly 3-black crows, bearish complement to the weekly shooting star top off 0.9850.

Market seems to have found temporary support at 0.8590 100-week MA, offering chance for a relief bounce this week, above 0.8750 to 0.8795. Further daily close above 0.8800 to uncover a deeper pullback to 0.8865 then 0.8950, but 0.9000 psychological barrier ahead of 0.9045 55-week MA should prove a tough wall of resistance.

Bears return with force, below 0.8590 for continued weakness to 0.8510 YTD low then 0.8430 50% retracement ahead of 0.8400.

NZD/USD (Spot : 0.7077)

NZD/USD rebounded sharply off 0.6820, just ahead of 0.6800 61.8% retracement. Burst above 0.7100 to offer extension of the recovery bounce to 0.7175 38.2% retracement then 0.7250 21-day MA, but expect 0.7285 50% to prove difficult.

Failure however, failure into 0.7175, and a relapse through 0.6940 for retest of 0.6820 low. Under 0.6800 resumes bearish track to 0.6640 Aug 2007 low.

USD/MYR (Spot: 3.3400)

USD/MYR continued its strong rally, clearing 3.3250 50% retracement. Bulls now need clearance of 3.3500 to uncover 3.3600 wave equality objective ahead of 3.3715 61.8% retracement, shielding 3.3900 100-week MA.

Corrective dips seen to 3.3190 then 3.3060/3.3000. Only sustained closes below 3.2935 55-week MA dampens, for relapse to 3.2785 violated 3-month congestive highs.