

WFXAdvisor – Weekly Market Outlook



EUR/USD

22th – 26th December 2008

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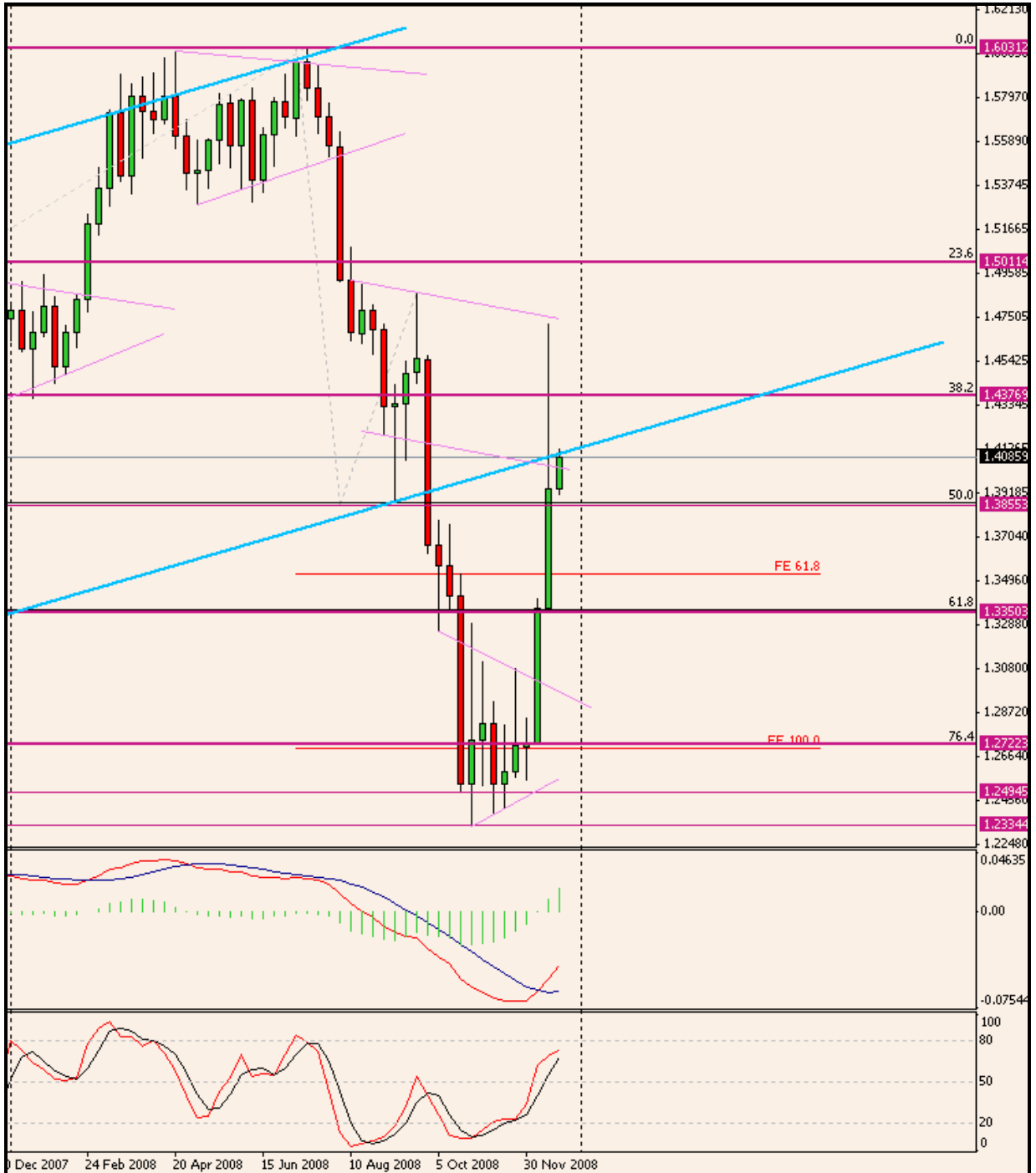


Chart 1 - EURUSD Weekly

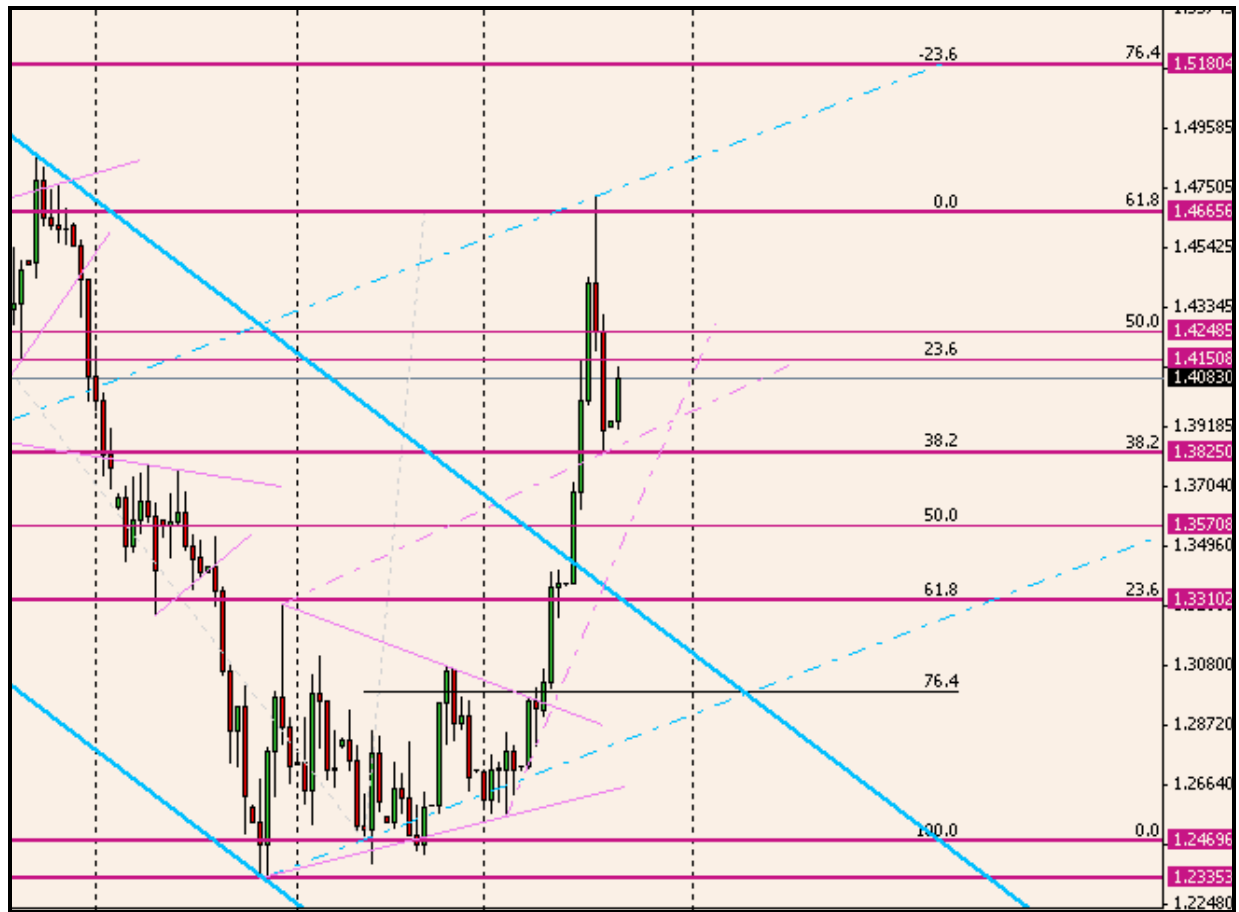


Chart 2 - EURUSD Daily



Chart 3 - EURUSD 4-Hours

EUR/USD Technical Picture / Pattern Analysis

Weekly / Daily :

Last week sees a jump higher to multi-year broken channel low. Last week closed just below the channel, and test of this level will determine how far the Euro may go. Expected trading range for coming weeks/days extends from 1.3670 to 1.4370.

To the upside, old channel low, acting as resistance, stands at 1.4080. A break and a daily/weekly close above this level may be the first sign of further Euro appreciation. 1.4380 remain the first important level to monitor (1st objective). A break above this level means another test of last week highs at 1.4715 (2nd objective). A weekly close above this level argues in favor of a run towards 1.50 handle.

To the downside, 1.3855 remain the principal support to monitor. A break and/or weekly close below this level means a consolidation will occur. 1.3690 minor support may reject prices (1st objective), but once there only 1.3635 old fib. extension may halt price fall (2nd objective). Pivot point and main supports stands at 1.3550.

4-Hours :

Last week impulsive move isn't over, but consolidation is under completion. We may see price kept in the 1.38 – 1.43 range due to end-of-year, but a break of one of these limits may generate some volatile moves.

To the upside, while above 1.3810, bias remain to the upside. Break above 1.4150 resistance may lead to a run towards 1.4315 initially (1st objective), ahead of 1.4975 fib. level (2nd objective). If break above the 2nd objective, nothing may halt prices before 1.4715 top (3rd objective).

To the downside, 1.3810 remain the most important support to monitor. Break below argue in favor of a deeper pullback towards 1.3580 – 1.3605 support (1st objective). No rejection here and a fall towards 1.3250 may be seen (2nd objective). Channel low stands at 1.29. Break below is negative.

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