

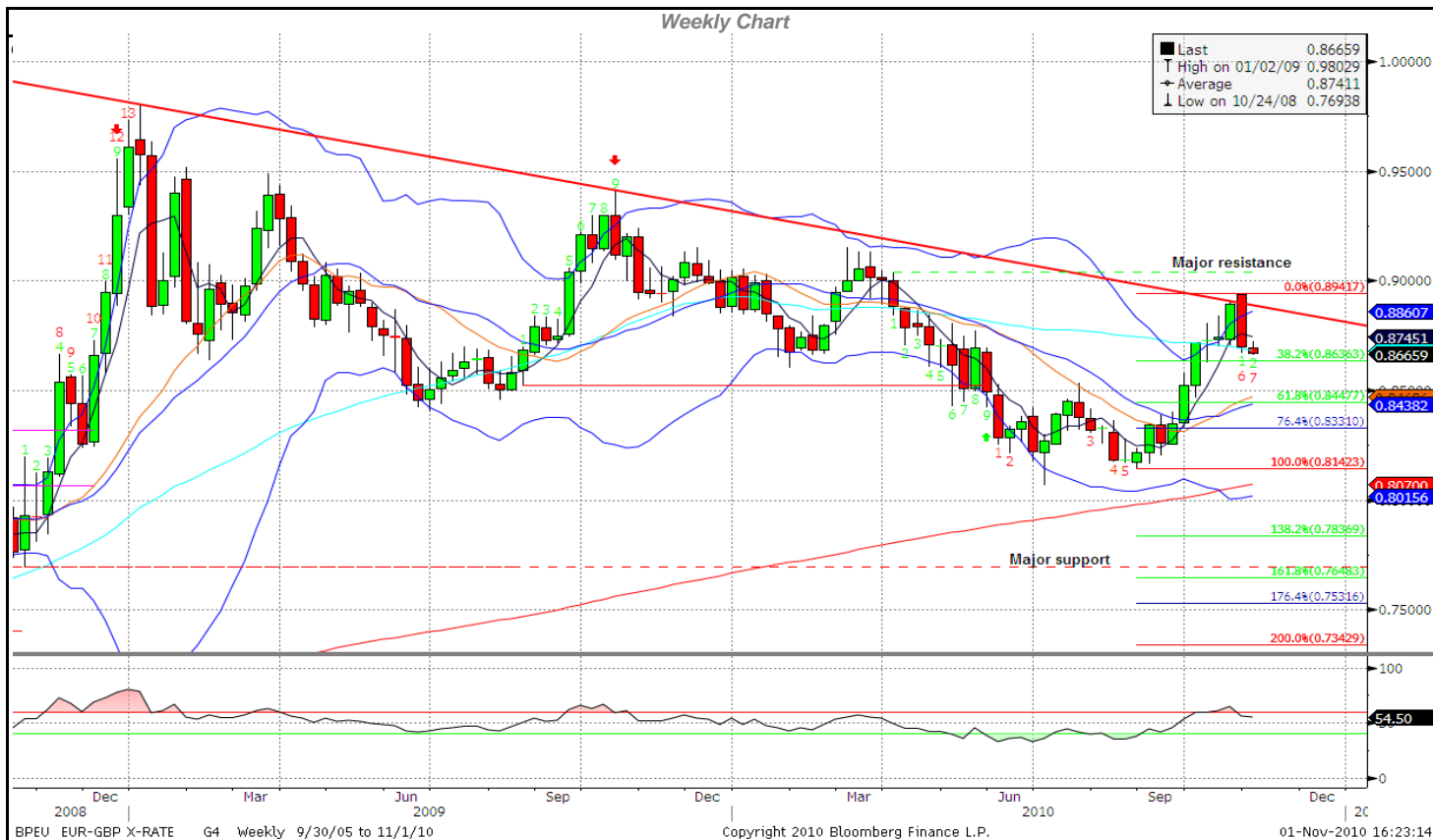
Technical Outlook

EUR/GBP

01/11/10 16:28

Last **0.8665** ↓ Open **0.8701** ↓ High **0.8723** ↓ Low **0.8660** ↓

Sell EUR/GBP for target 0.7700. Stop above 0.8945.



COMMENTS

Two weeks ago EUR/GBP tested the long term bear trend line and closed below it. The next week - last week - it opened above the trend line but failed to confirm the breakout and traded back below the trend line. The sell-off continued throughout the week and EUR/GBP formed a top and reversal pattern called a Bearish Engulfing just below the major resistance level at around 0.9039. The Bearish Engulfing pattern signals that the trend has exhausted and the bearish trend EUR/GBP was trading since its 2009 high resumes. We expect that picture to unfold and a new low could be seen within the next 2-3 months. Our target is 0.7700 which is just above the major support level.

A break above the October 2010 high at around 0.8945 will demolish that picture taking EUR/GBP to test the 0.9039 resistance level and possibly higher.

Technicals: Daily

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Support

Resistance

0.8331	0.8439	0.8448	0.8566	0.8636	0.8665	0.8754	0.8881	0.9039	0.9068	0.9383
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Change: 1 day **-0.37 %** 5 days **-2.49 %** 1 Month **-0.66 %** YTD **-2.35 %**

Moving average		Bollinger Bands		MACD		RSI	
5 Weeks	0.8741 ↑	20 Weeks	0.8773 ↑	MACD	0.0037 ↓	5 Weeks	55.00 ↑
21 Weeks	0.8418 ↓	High	0.8887 ↑	MACDA	0.0072 ↑	14 Weeks	54.80 ↑
55 Weeks	0.8685 ↑	Low	0.8651 ↓	MHIST	-0.0035 ↓	21 Weeks	52.37 ↑
200 Weeks	0.8066 ↓	Bandwidth	3.2440 ↑				

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