



Technical Outlook

EUR/USD

28/05/10 13:04

Last 1.2409 ↑ Open 1.2362 ↑ High 1.2453 ↑ Low 1.2282 ↑

Trading idea:

LONG position at present level (1.2409) with 1.3290 as our target. Stop below 1.2140.



COMMENTS

EUR/USD has been in a strong bearish trend since its peak November 2009 but failed to make a new low below 1.2140. A Tom Demark count of 13 with a bullish engulfing candle yesterday (the 27th May) and contraction of the Bollinger bands on the daily chart indicates an exhaustion of the bearish trend. A double bottom formation pattern seems to unfold and will be confirmed above 1.2675. A break above that level will most likely fuel a bullish rebound to at around 1.3190. That level is also the 38.2 Fibonacci retracement level on the weekly chart since its peak at around 1.5144. Buy at current level with a target of 1.3190. Stop and reverse below 1.2140 for 1.1865.

Technicals: Daily

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Support					Resistance					
1.1900	1.1965	1.2051	1.2145	1.2213	1.2409	1.2672	1.2790	1.3042	1.3214	1.3367
Change:		1 day	0.41 %	5 days	-1.25 %	1 Month	-6.11 %	YTD	-13.32 %	
Moving average		Bollinger Bands		MACD		RSI				
5 days	1.2333 ↓	20 days	1.2386 ↓	MACD	-0.0231 ↓	5 days	50.95 ↓			
21 days	1.2588 ↓	High	1.3057 ↑	MACDA	0.0013 ↓	14 days	40.10 ↓			
55 days	1.3132 ↓	Low	1.2050 ↓	MHIST	-0.0244 ↓	21 days	38.60 ↓			
200 days	1.4064 ↓	Bandwidth	3.5890 ↓							

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