

FX Techs

London Open



Global FX Strategy

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At a glance: “Inside Day”

The technical term “Inside Day” probably applies for the majority of currency pairs within G10 as markets spent a very dull trading session yesterday within the given ranges from Friday last week. This also means that it remains unclear whether the broader trends have already been resumed or whether the latest recoveries are going to be extended. That said we are still waiting for a couple of range breakouts to provide directions one way or the other. In **EUR/USD** the decisive range to watch in this respect is marked by two internal 76.4 % retracements between 1.0988 and 1.0601. Similar ranges to determine what we are dealing with cut in between 130.93 (minor 76.4 %) and 128.01 (minor 76.4 %) in **EUR/JPY** and between at 0.7154/02 (pivot/minor 76.4 %) and 0.7394/0.7406/09 (int. 38.2 % on 3 scales) in **EUR/GBP**. Another one to mention in this context is **EUR/CHF** where it takes a range breakout between 1.0418 (minor 38.2 %) and 1.0712/22 (minor 76.4 % on 2 scales) to receive fresh directions. In **Cable** we are also looking for a range breakout between minor 76.4 % retracements at 1.4937 and at 1.4761 to either receive evidence for an extension up to 1.5056 and possibly to 1.5356 (int. 76.4 % on higher scale/38.2 % on higher scale) or for the resumption of the long-term downtrend. No news for **GBP/JPY**, which remains in negative territory as long as resistance between 178.18 (weekly trend) and 179.33 (minor 38.2 %) is not taken out. In **EUR/Commodity FX** we keep a close focus on **EUR/AUD**, as the latter broke decisively above key-resistance at 1.4134 (into 38.2 %). This constitutes a scale jump in favour of a much stronger recovery to 1.4618 and possibly to 1.4953 (int. 76.4 % on higher scales). In this context we keep watching 1.3809 (minor 38.2 %) in **EUR/CAD** closely as a decisive break above would re-affirm the idea of a broader **Euro** recovery against **Commodity FX**.

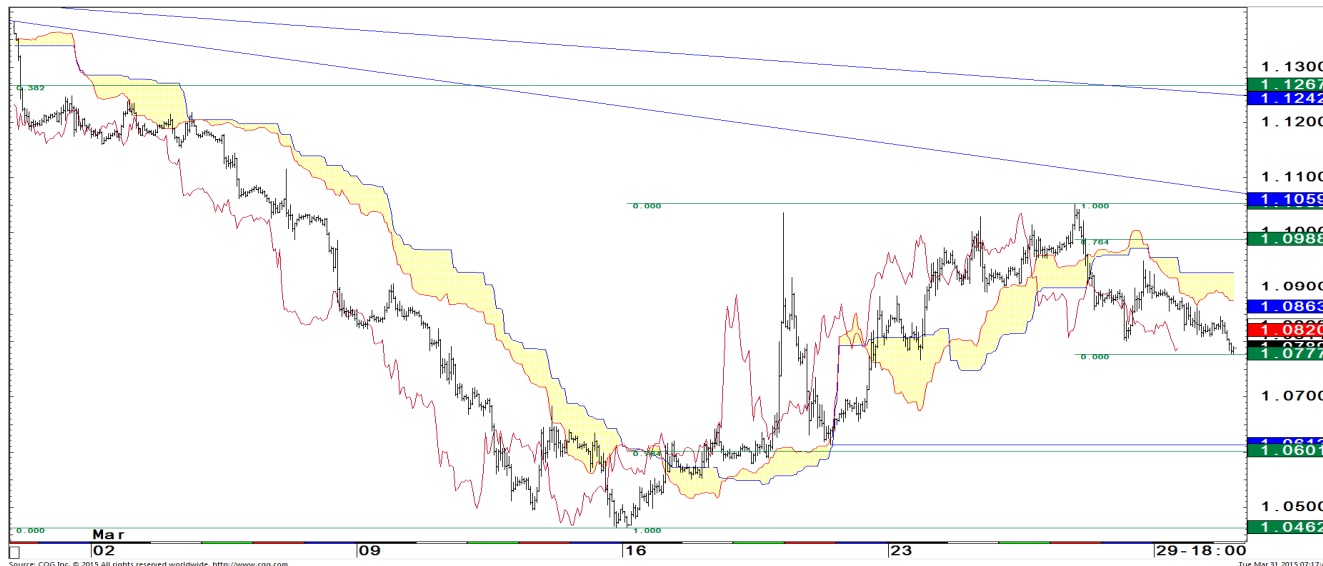
Technical Trades								Average % return = 2.09%		
Trade	Entry date	Entry level	Current level	Stop loss	Units	Target (1)	Target (2)	P&L since entry %	Comments	
Short	GBP/JPY	26/03/15	177.0900	177.4040	181.0000	2	168.5000	164.5000	-0.18%	Elliott Model - anticipating a broader 4th wave setback
Short	PLN/HUF	27/08/14	74.2146	73.1800	75.8500	2	72.0000	69.7000	1.41%	Elliott Model - anticipating a major trend reversal
Long	USD/CAD	14/10/14	1.1222	1.2705	1.2355	2	1.3200		13.22%	Tech Alert - Medium term range breakout
Short	EUR/MXN	26/02/15	16.7314	16.4750	17.2500	1	15.6500		1.56%	Tech Alert - ST correction seems complete; MT bearish backdrop intact.
Short	NZD/USD	23/10/14	0.7876	0.7617	0.7615	1	0.7000		1.70%	Tech Alert - Stopped March 23 (+1.70%)
Short	EUR/IDR	27/02/15	14438	14112	14835	1	13500		2.31%	Tech Alert - ST correction now seems complete
Long	USD/JPY	02/11/14	113.99	120.02	116.65	1	126.00		5.29%	Tech Alert- Consolidation phase maintains MT bullish bias

The trade recommendations for the Tech Alerts (inclusive the Elliott Model Portfolio) can be found on Morgan Markets or can be received simultaneously via e-mail if desired

See page 5 for analyst certification and important disclosures.

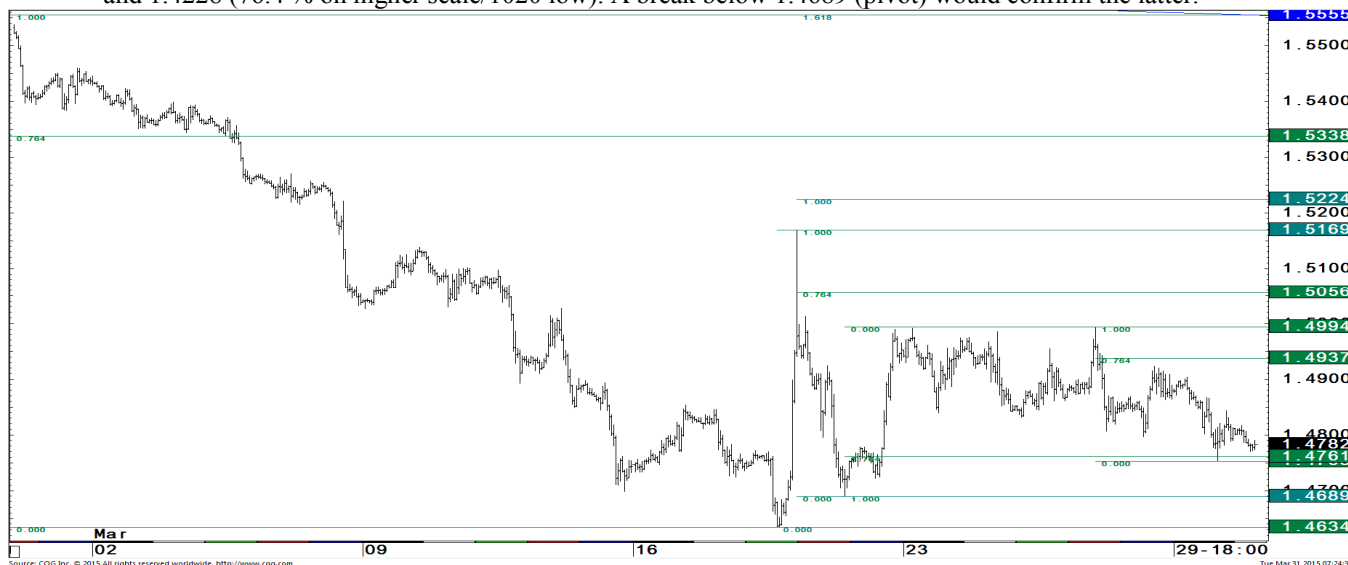
EUR/USD hourly – A range breakout between 1.0988 & 1.0601 is needed for directions

- Last week's failure to clear pivotal resistance at 1.1098 and Thursday's key-reversal day down are not encouraging signs for Euro bulls and leave the market at risk of at least retracing back to 1.0613/01 (pivot/minor 76.4 %).
- As long as the latter is not broken decisively on hourly close though (i. e. below 1.0580) we still see the window for a broader recovery to 1.1267/79 (int. 38.2 %), if not to 1.1699 (int. 38.2 % on higher scales) open. Below 1.0988 (minor 76.4 %) though, the odds remain in favor of a decline to 1.0613/01 next.



GBP/USD hourly– A range breakout between 1.4939 & 1.4761 is needed for directions

- The latest bounce from the target zone for a 5th wave decline at 1.4699/1.4578 leaves the door for a broader recovery to 1.5356 (int. 38.2 %) open, provided 1.4937 (minor 76.4 %) is cleared and 1.4761 (minor 76.4 %) defended.
- That said, we are now looking for a breakout of this range to either support an advance to 1.5224 (C = A) and to 1.5356 (int. 38.2 % on higher scale) or to call for the straight resumption of the long-term downtrend towards 1.4374 and 1.4228 (76.4 % on higher scale/1020 low). A break below 1.4689 (pivot) would confirm the latter.



EUR/GBP daily– Make or break at 0.7394/0.7406/09!

- In the big picture and following the breaks below the ultimate T-junction at 0.7258/54 (61.8 % of the 2000-2008 rally/potential wave I top from May 03) and below pivotal support at 0.7107, we remain negative, looking for extensions into 0.6906 and possibly towards 0.6664/57 (internal wave 3 projections/76.4 %).
- This negative view already received minor support via the latest break below Ichimoku-support with the lagging line (now resistance at 0.7353), but in order to confirm the resumption of the broader downtrend it would take breaks below 0.7154 and ultimately below 0.7102 (pivot/minor 76.4 %).
- To on the other hand support another attack on the main resistance cluster at 0.7394/0.7406/09, it would take a break above 0.7353/58 (hourly Ichimoku-lagging-minor 76.4 %). Only a decisive break above 0.7409 would open extended recovery potential to 0.7686 (int. 38.2 % on higher scale) though.



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Tue Mar 31 2015 07:26:49

EUR/AUD daily – The break above 1.4134 opened the door for a broader recovery

- The latest and decisive break above key-Fib.-resistance at 1.4134 (minor 76.4 %) is alerting of a minor game change in favor of a broader recovery to at least 1.4618 (minor 76.4 %) if not to 1.4896/1.4953 (pivot/int. 76.4 % on higher scale).
- But given the fact that the Euro is rather looking weak in most of the other Crosses we have doubts that this market will develop enough momentum for such a recovery.
- That said, only confirming breaks in the Crosses or a break above daily trend line resistance (at 1.4381 today) would convince us that a stronger recovery, if not the resumption of the pre-2014 up-trend could be on its way.
- We nevertheless see a slight positive bias prevailing and 1.4381 in focus next after the break above 1.4134. Only two consecutive lower hourly closes of the lagging line below the cloud (currently at 1.3951) would neutralize it again.



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