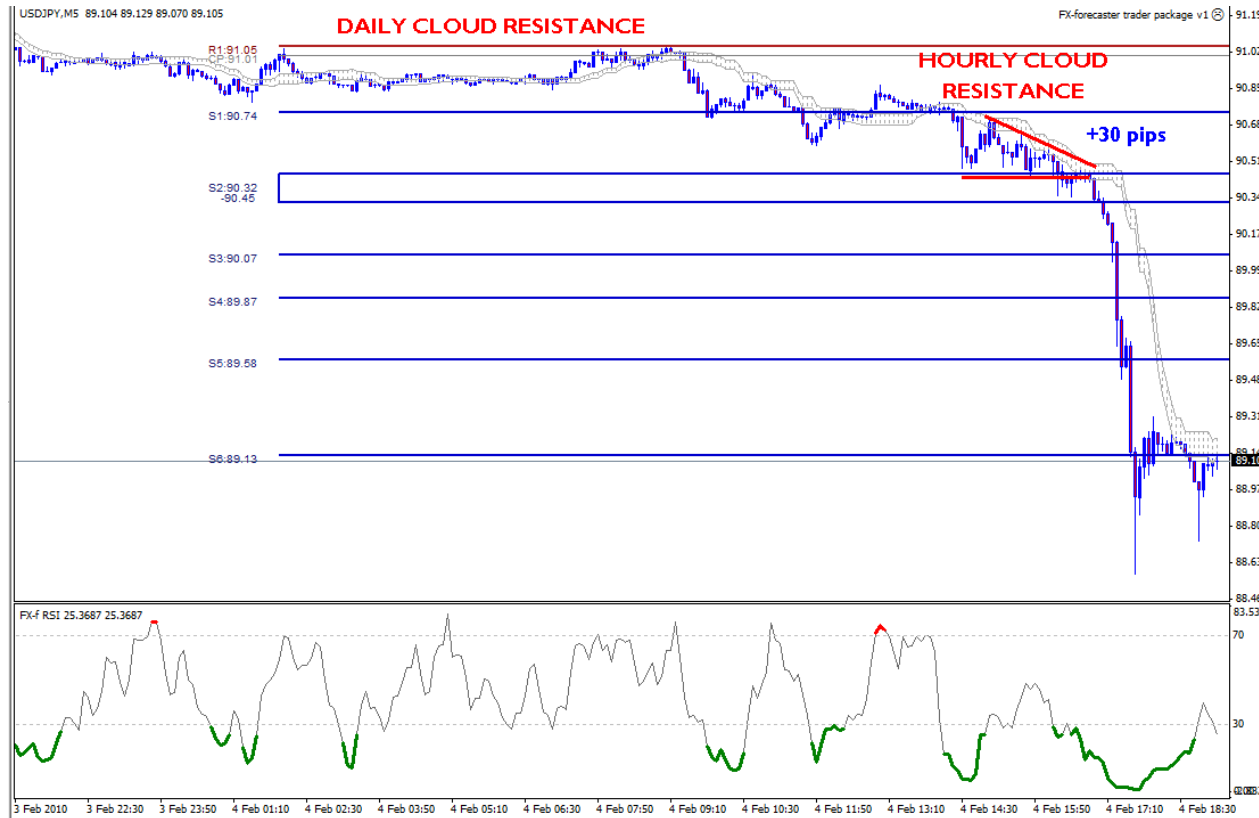


FX-forecaster DAILY SUPPORT & RESISTANCE

4th February 2010

USDJPY



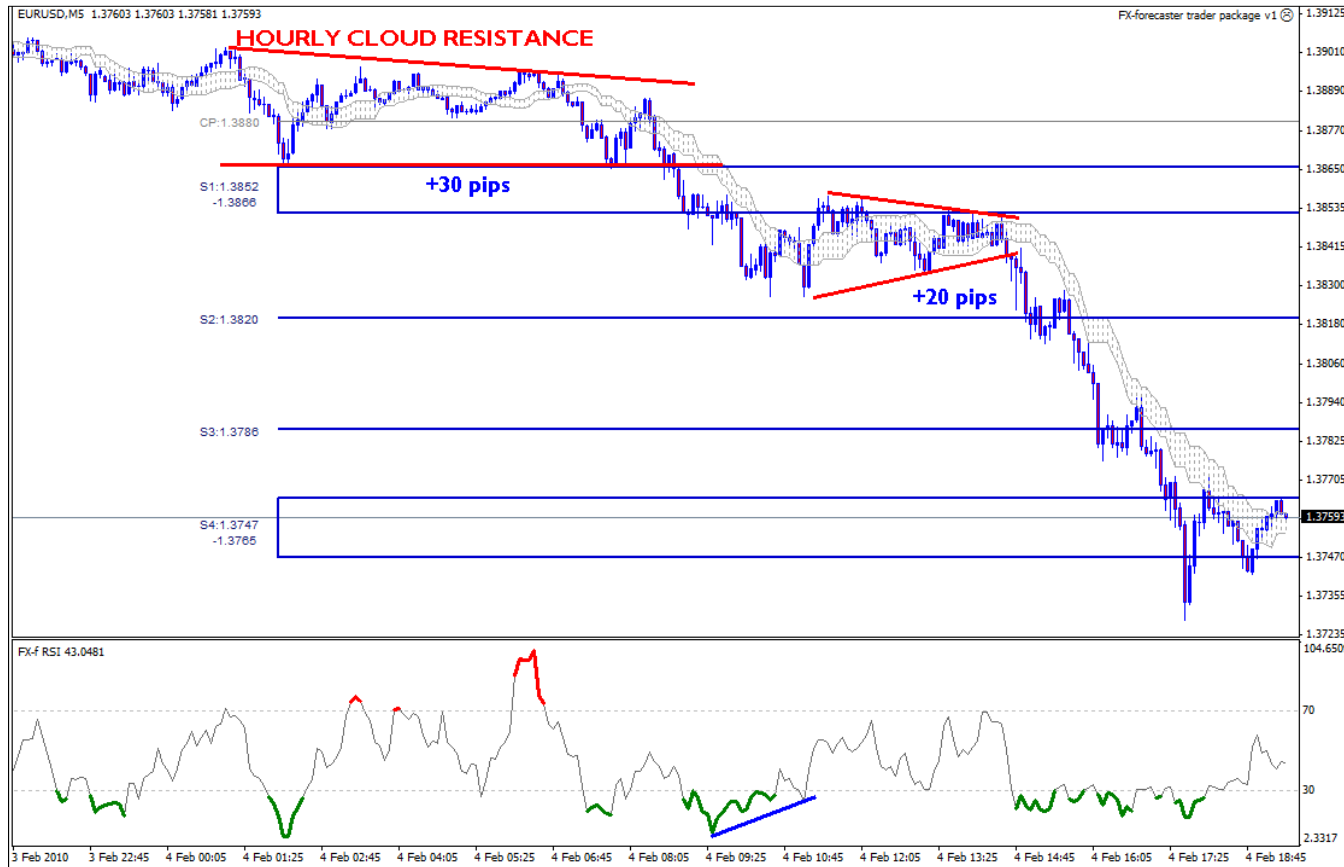
The break below 90.74 was important for me but I didn't expect this drop... The only trade set up was the descending triangle at 90.45 which produced 30 pips. Obviously price is now well below the hourly & 4-hour FX-f Equilibrium Clouds and FX-f RSI heavily oversold and therefore after a correction we can expect new lows...

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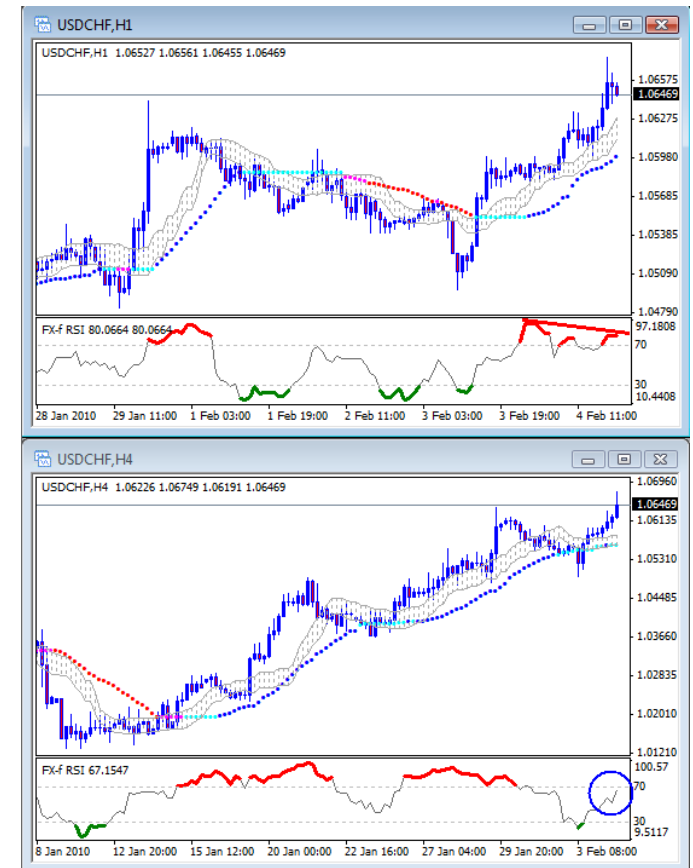
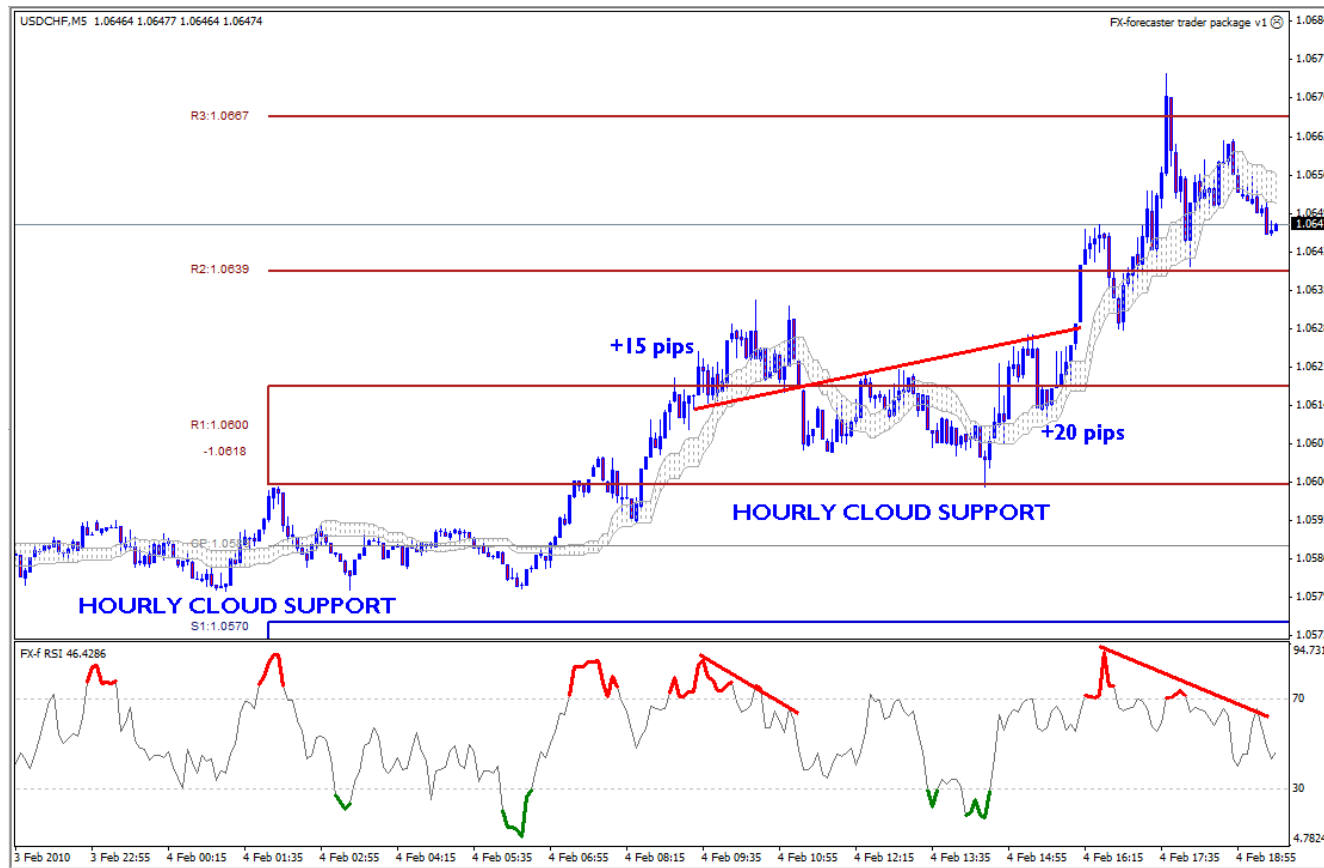
DISCLAIMER: Daily Forecaster support & resistance is an analytical tool only and is not intended to replace individual research. The support & resistance levels and indicators do not represent automatic trading signals and should not be relied on as a substitute for extensive independent research before making your trading/investment decisions. Ian Copsey is merely provides this service for your general information. No representation is being made that any view or opinion will guarantee profits or not result in losses from trading. In addition any projections or views of the market provided may not prove to be accurate. Ian Copsey will not be responsible for any losses incurred on investments made by readers and clients as a result of any information contained in this service. The information contained is private and may not be distributed or shared.

EURUSD



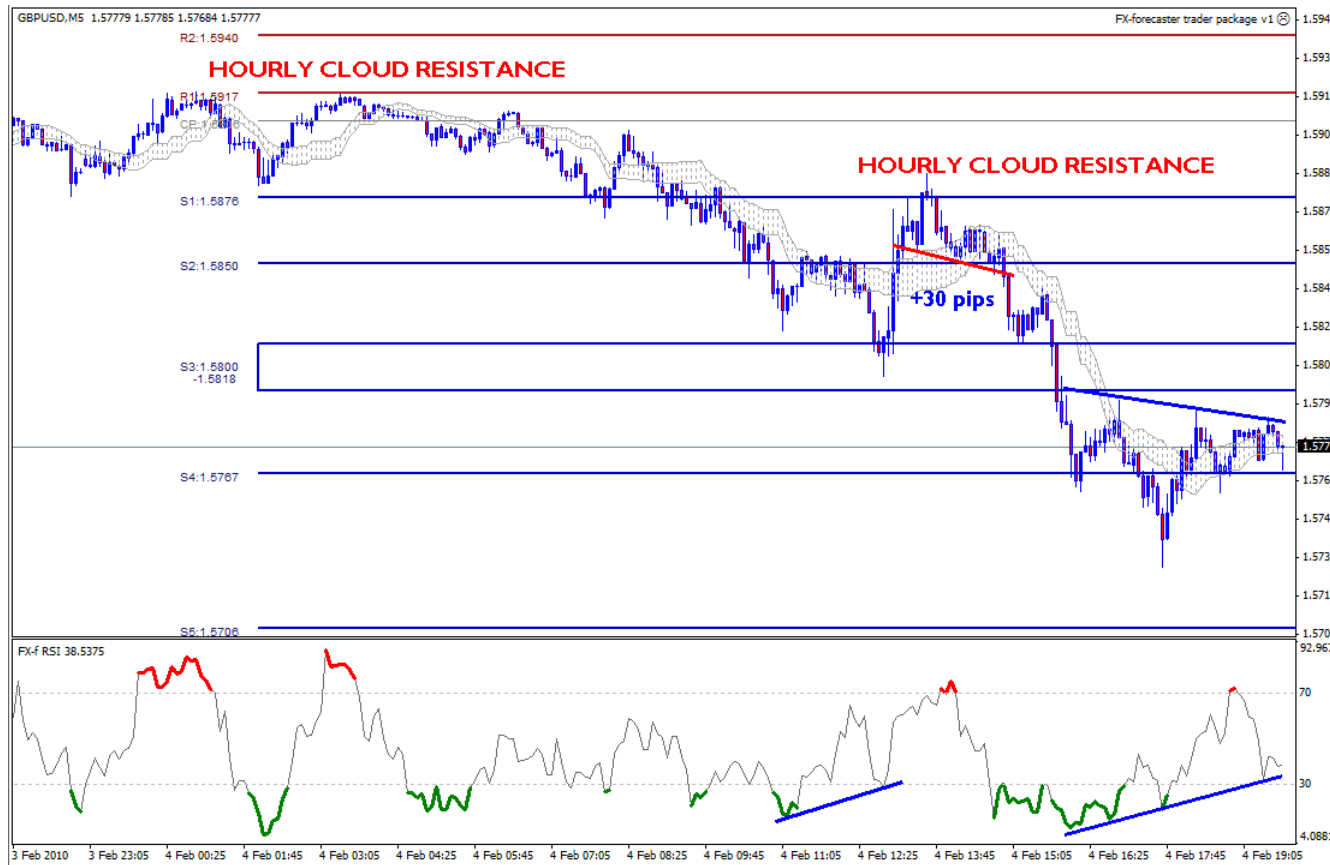
Another drop I didn't expect quite yet but always a risk... The 1.3966 support held for the first third of the day and with the hourly FX-f Equilibrium Cloud forcing lower highs there was a descending triangle bearish set up which produced 30 pips. Having met target it developed in a triangle just above the 1.3820 support and this produced 20 pips. The 5-minute Cloud provided a good trailing stop. There was a spike bottom at the end and a mild bullish divergence in hourly FX-f RSI. 4-hour FX-f RSI is still declining so we are due more losses so it all depends on when & how deep the correction will be. I note that a daily bullish divergence looks as if it may develop though needs a bit more time.

USDCHF



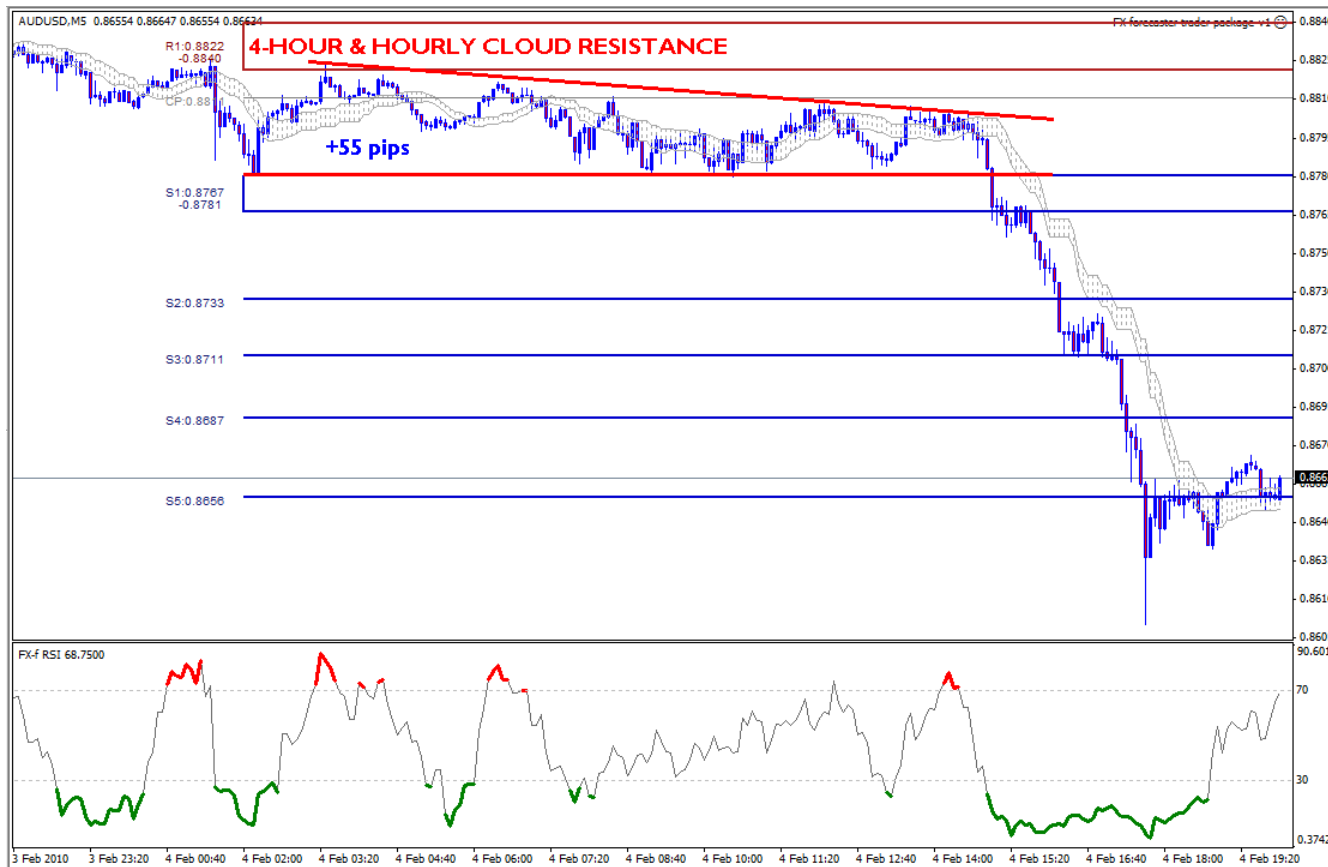
The hourly FX-f Equilibrium Cloud certainly provided support over the day... The first push higher ended just below the 1.0639 peak and formed a small head & shoulders pattern and was supported by a bearish divergence in FX-f RSI. The first dip didn't make target but the second did. This correction produced an inverse head & shoulders. While I don't normally consider these in a correction the break potential above 1.0639 would be expected to generate follow-through. In this case it did even if there was a pullback in between. The two patterns provided a potential 35 pips. Price has developed a bearish divergence at the day's high so we can expect a correction but watch for the hourly & 4-hour Clouds to support. 4-hour FX-f RSI is still rising and tends to point to a new high. Daily FX-f RSI is beginning to show a hint of a bearish divergence.

GBPUSD



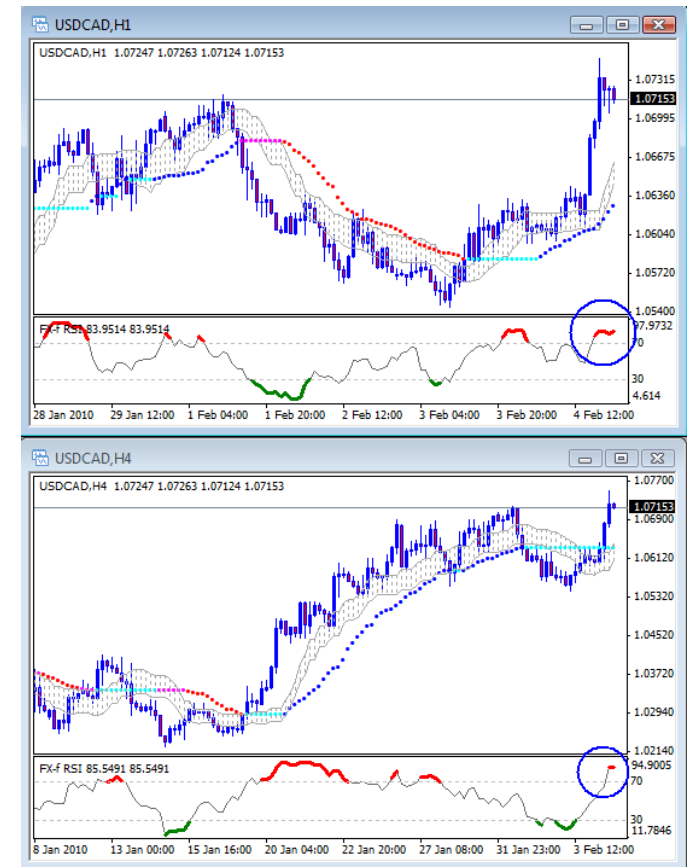
There weren't too many signals here. There was a bullish divergence at 1.5800-18 which provided a pullback but only to the 1.5876 prior support – now turned resistance. This was also where the hourly FX-f Equilibrium Cloud was declining. This then saw a small head & shoulders develop and the combination of the pattern break and the slip below the Cloud saw the 30 pip target met. The final low of the day was mid way between support levels. We'll have to watch this as there is potential for an inverse head & shoulders following a bullish divergence in FX-f RSI... Also note that bearish momentum is slowing – a bullish divergence in the hourly chart and the early signs of one in the 4-hour chart also... Even the daily chart could provide a bullish divergence if this inverse head & shoulders meets target...

AUDUSD



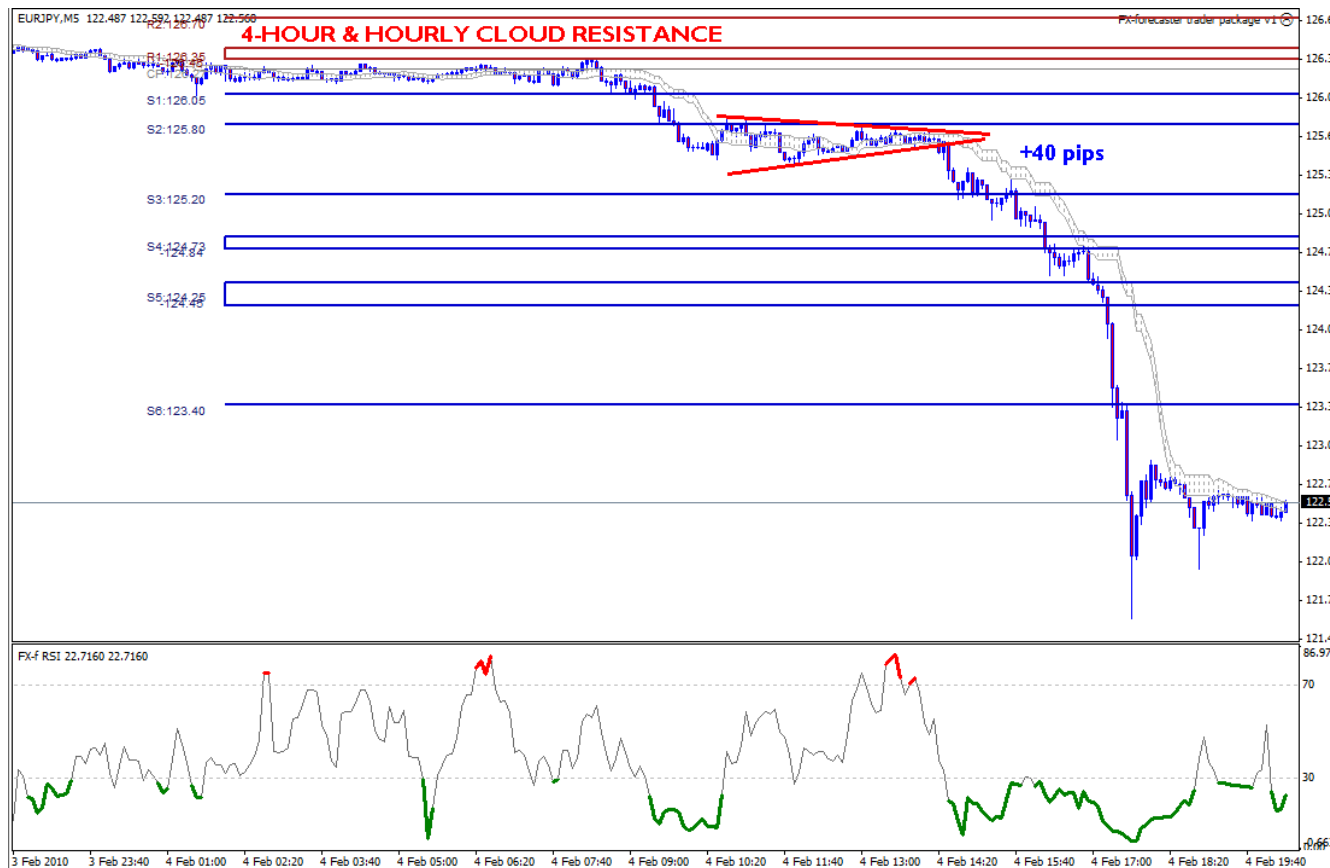
Two-thirds of the day was consolidation below declining 4-hour and hourly FX-f Equilibrium Clouds which provided a descending triangle at the 0.8781 support. Breach saw the 55 pip profit target reached very quickly... If we had anticipated a stronger decline the 5-minute Cloud provided an excellent trailing Stop. There are no bullish reversals from FX-f RSI in any of these three time frames but then it is a spike lower and momentum indications become less reliable at these times. It should probably see a little more lower but I think we'll need to take care before too long...

USDCAD



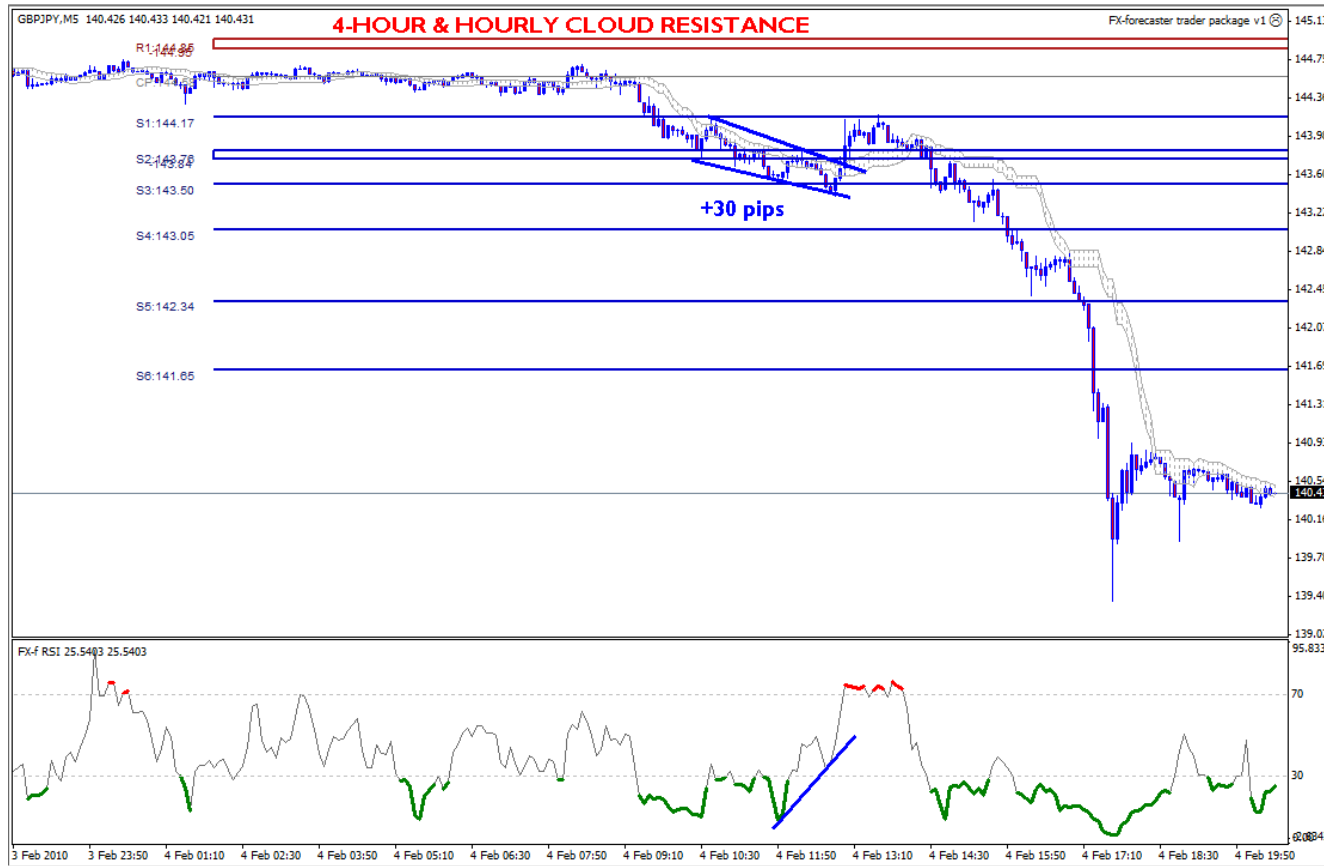
The 4-hour & hourly FX-f Clouds provided support during the first two-thirds of the day. The 1.0644 resistance capped in this period and formed a small head & shoulders pattern supported by a bearish divergence in FX-f RSI. This just about met target before reversing higher. There is little to base a bullish trade on except the break above the 1.0644 resistance and the rising momentum, extreme high and then break to new highs while FX-f RSI was still in a high extreme and supported by the 5-minute Cloud. There was a bearish divergence at the 1.0747 resistance but note that both hourly & 4-hour FX-f RSI are pushing high extremes so we should see higher highs at some point...

EURJPY



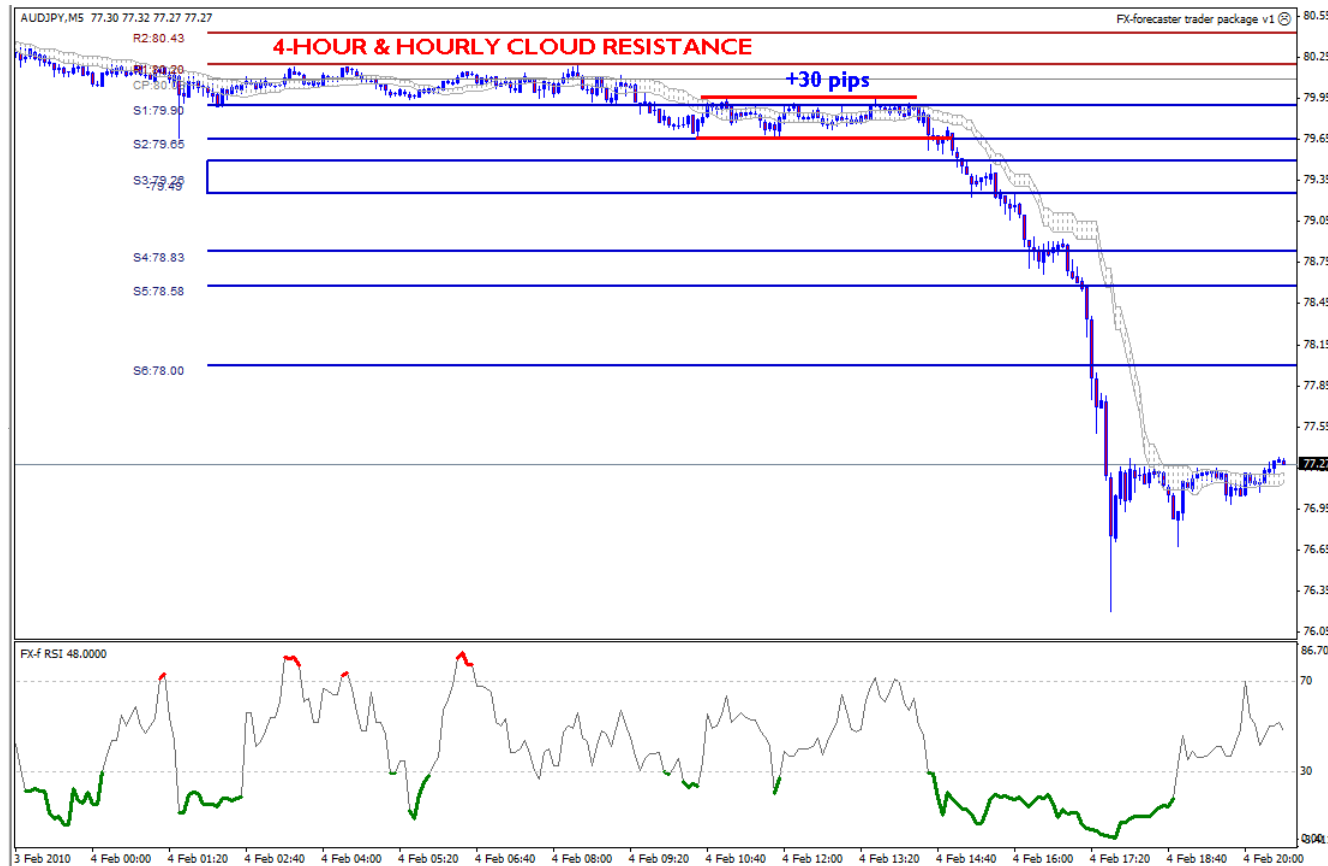
Wow... this blasted all my supports even the ones on paper I had written during the analysis... The only set up I could see was the resistance provided by both 4-hour & hourly FX-f Equilibrium Cloud resistance that maintained downward pressure over the first two-thirds of the day and the small triangle that developed. In retrospect the 40 pip target was miniscule... Again, the decline is so rapid it is difficult to really get much information from the hourly & 4-hour FX-f RSI readings. I sense it will be difficult to generate meaningful support & resistance also with so few corrections... Overall it does still look bearish...

GBPJPY



These days just don't happen that often – 500 pips in one day – so they're difficult to anticipate and I was wondering whether my call in the weekly review last weekend was going to be correct. Yesterday it hit my target area for the week... Again, the extreme low readings in 4-hour & hourly FX-f RSI are basically irrelevant given the severity of the drop. Even weekly & daily FX-f RSI are pointing lower but remember we have reached the 139.00 area which has provided the base twice before in the last 6 months. ON the day the 4-hour & hourly FX-f Equilibrium Clouds provided the cap. There was a dip to the 143.50 support which came at the end of a fat falling wedge. A bullish divergence in FX-f RSI assisted in the pullback to the beginning of the wedge for 30 pips. Take care today as I see limited losses (if any) in GBPUSD and this could limit the downside here and possibly cause a pullback...

AUDJPY



As with the other JPY crosses the 4-hour & hourly FX-f Equilibrium Clouds provided resistance and perhaps while I felt the day's lows were a potential target I certainly did not expect to see them in one day. (Actually it only took one-third of the day...) The only trade set up I can see in the squashed chart is the sideways channel resting on the 79.65 support and breach provided a whole 30 pips... and there were another 300 pips to go over the rest of the day... Equally, the comments I provided in GBPJPY apply here too. We have reached the previous major low and while momentum still looks bearish I'm not (at first glance) too keen on calling this much lower...

For the first time since providing the trade set ups all 9 pairs provided set ups, and in two pairs there were two set ups so that's a total of 11 trade set ups with a total pool of potential profit of 320 pips...

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