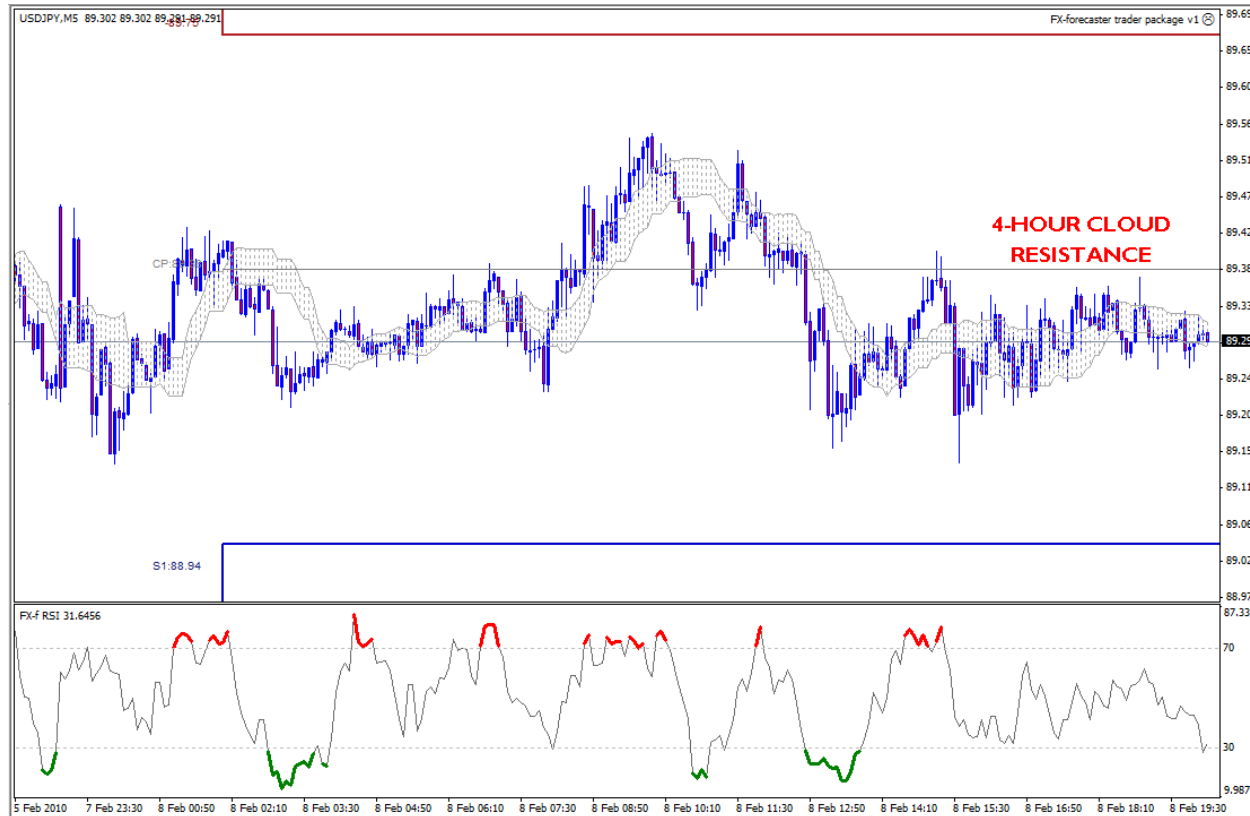


FX-forecaster DAILY SUPPORT & RESISTANCE

8th February 2010

USDJPY



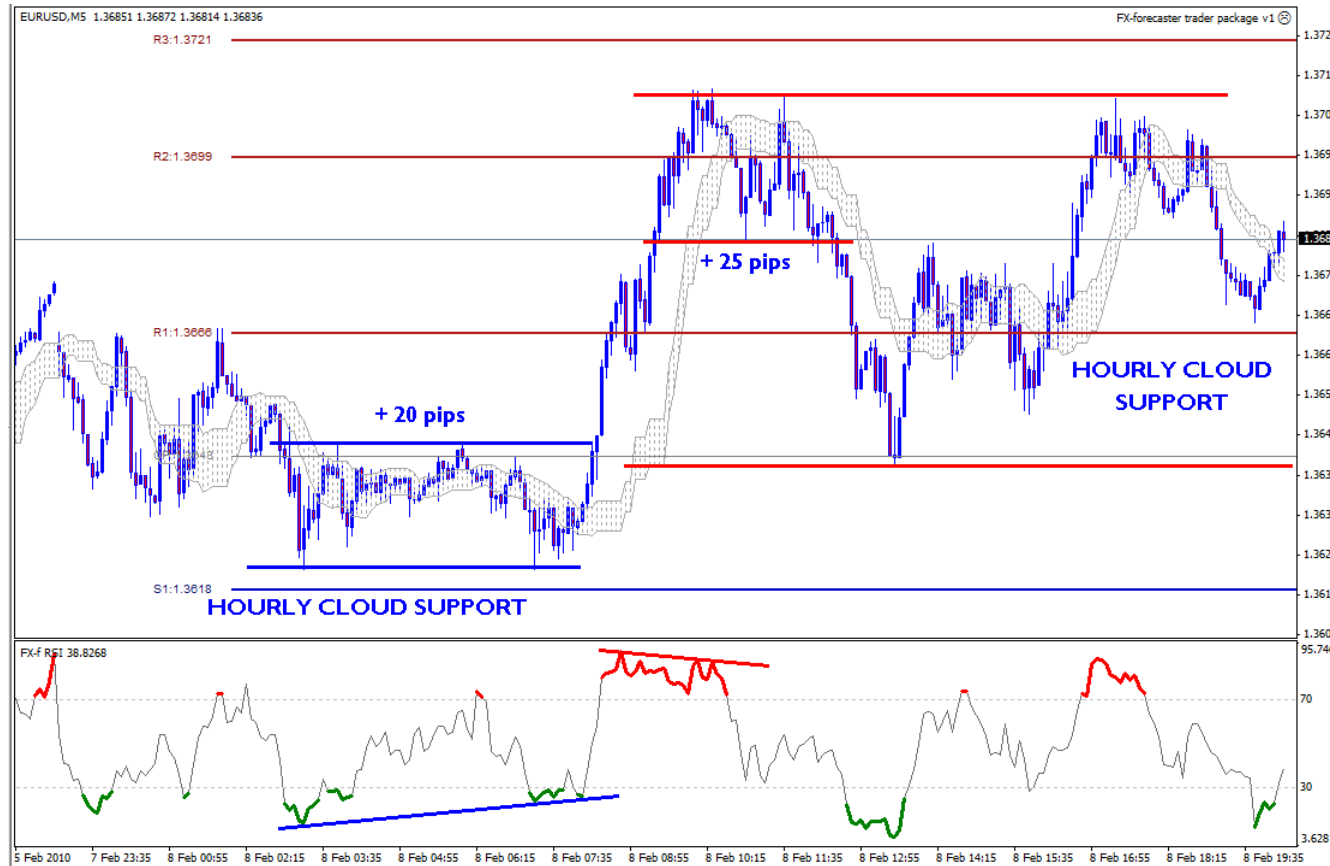
I was expecting a range trading day but what can be done with a 42 pip spread? Just about nothing... Overall the structure looks bearish as described in the weekend report...

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Includes support & resistance and 6 guiding indicators: (For MT4 users)

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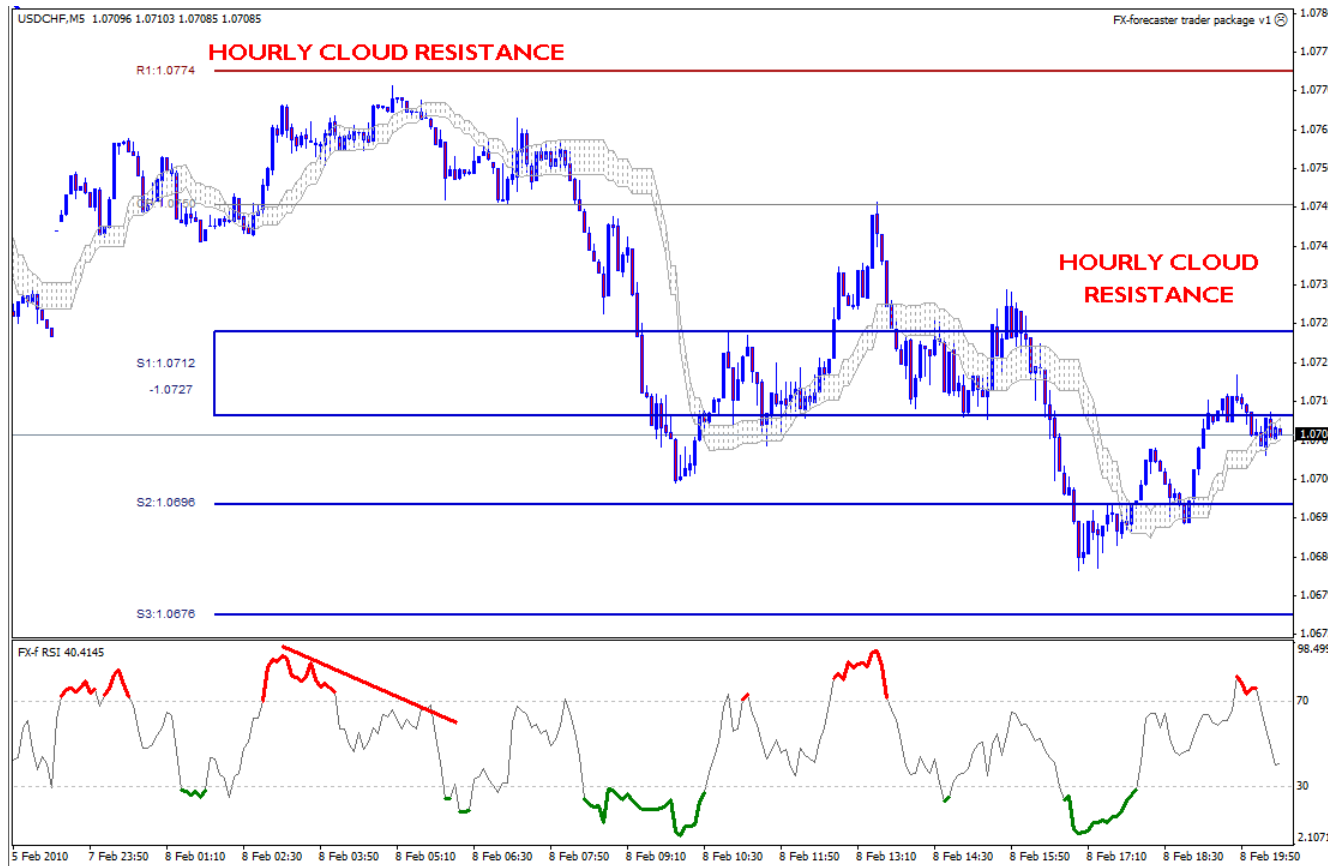
EURUSD



As suggested in the weekend report the pullback higher came but has been limited. Hourly FX-f RSI has almost reached overbought but price has not managed to break above the last swing high. Thus the emphasis remains lower. Also as suggested the 4-hour FX-f RSI has managed to pullback higher and this could provide a bullish divergence on the next decline. On the day there were two opportunities. Early in the day was a double bottom just above the 1.3618 support that provided a 20 pip profit target and the rally from there stalled in the 1.3699-1.3721 resistance area and formed a double top with a 25 pip profit target.

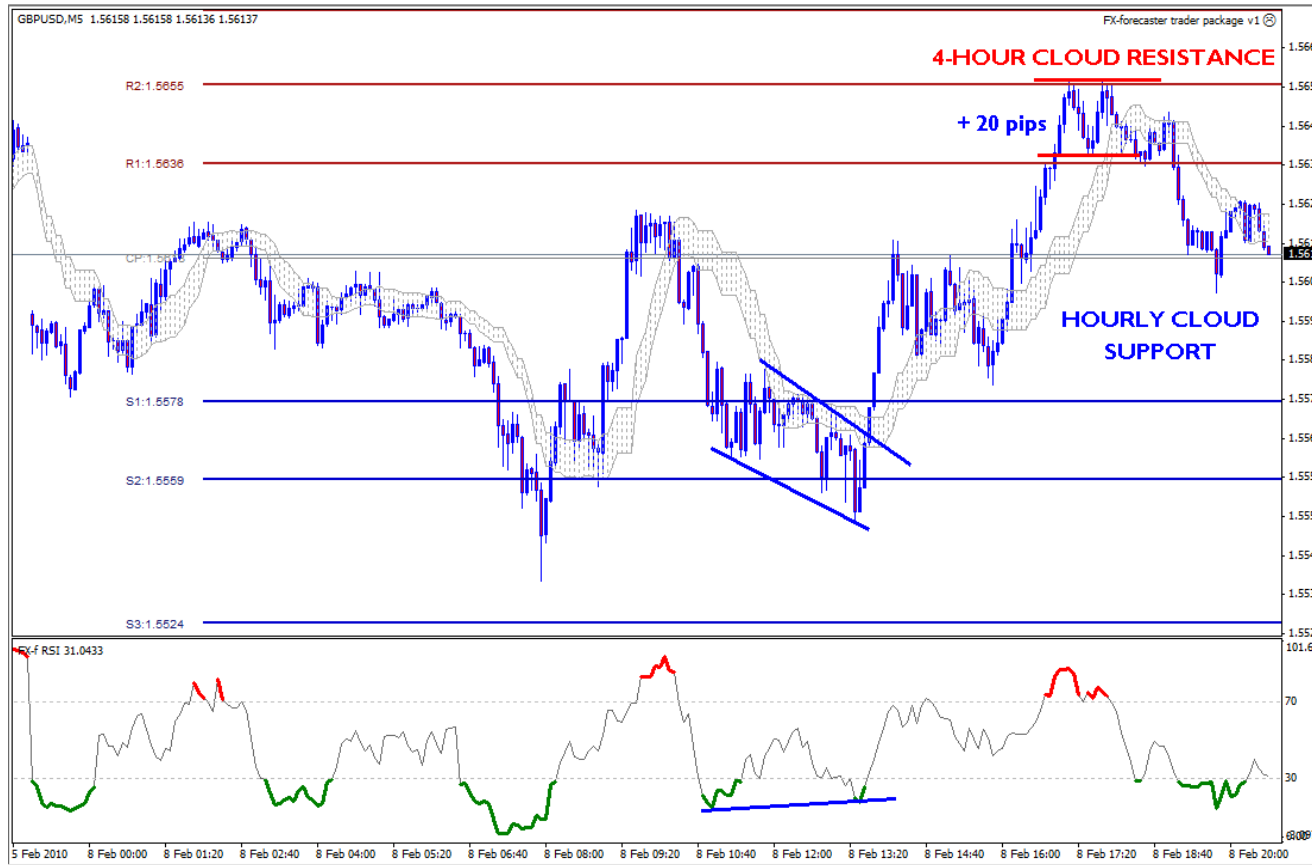
Note there *may* be a larger double top forming but this will need a break of the trough.

USDCHF



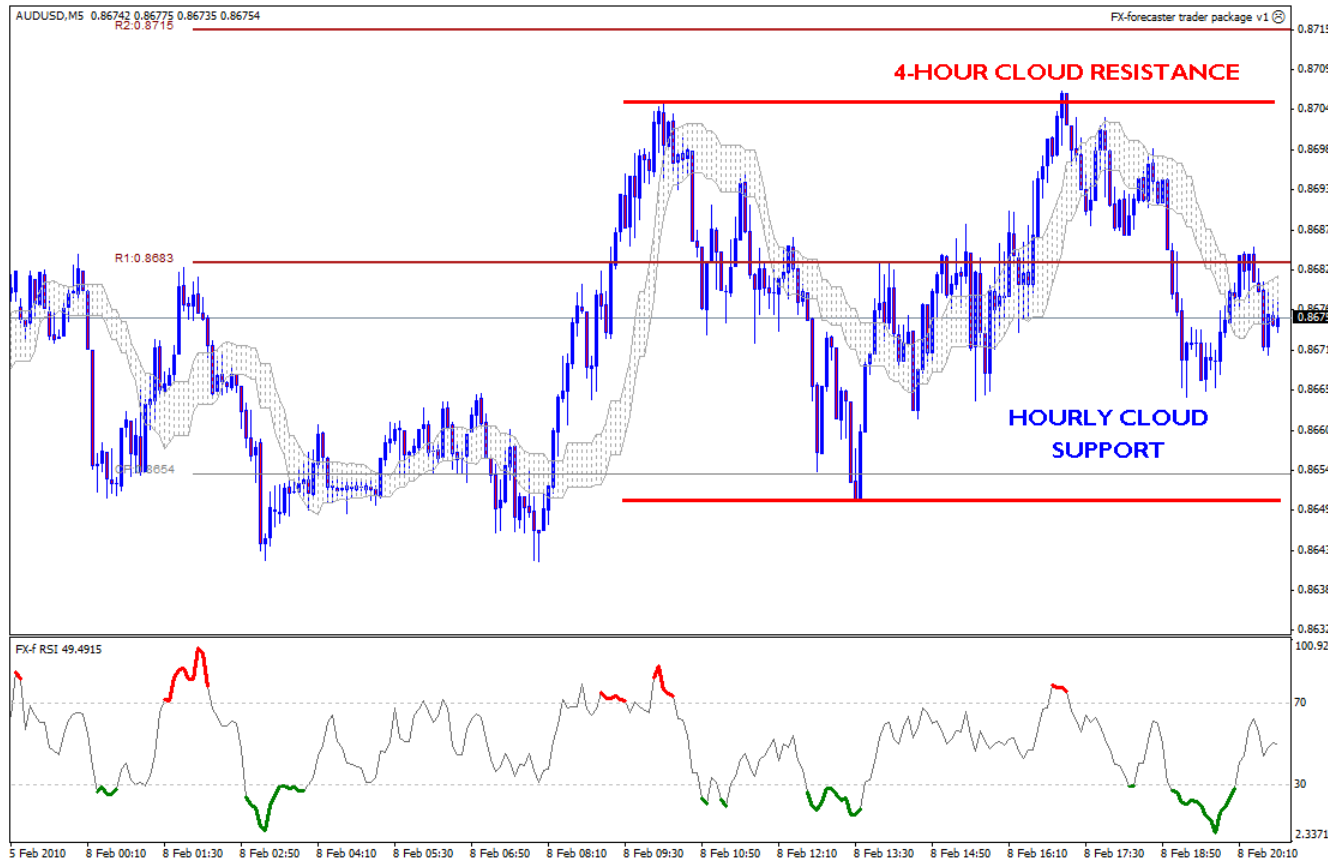
The hourly FX-f Equilibrium Cloud kept price held overhead throughout the day and reached the lower extreme of the anticipated pullback between 1.0676-96. Note that hourly FX-f RSI has just about reached oversold while 4-hour FX-f RSI has pulled back from higher extremes while the FX-f Trailing Stop remains in a bullish trend. The emphasis remains higher. Over the day however, there were half signals with a bearish divergence 2 pips below the 1.0774 resistance where the hourly Cloud also provided resistance. At the base of the day the 4-hour Cloud roughly supported.

GBPUSD



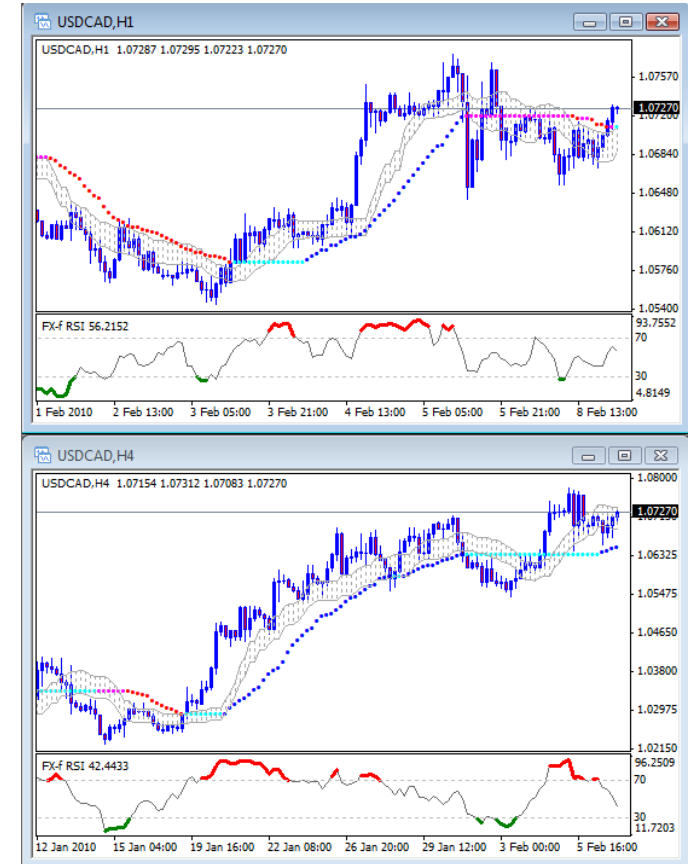
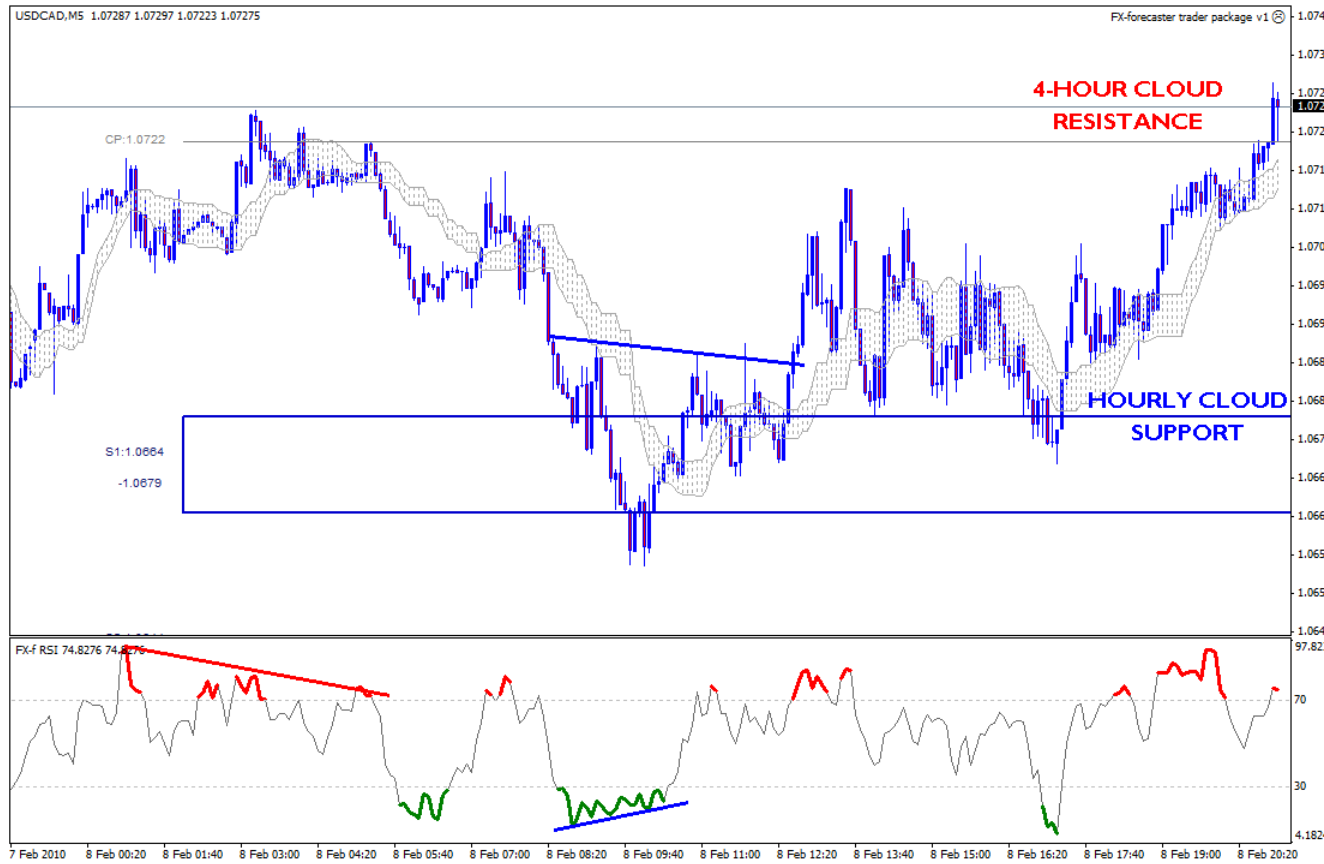
Price just failed to reach the 1.5524 support and rallied back higher. This deepened the hourly bullish divergence in FX-f RSI although it hasn't yet reached overbought. However, nor has price really managed too much of a pullback. This has provided some relief to the 4-hour FX-f RSI that would provide potential for a bullish divergence to develop on any dips. Note the 4-hour FX-f Trailing Stop still registers a bearish trend although the hourly is moved into a consolidation phase. The overall emphasis remains bearish. There were few opportunities on the day. The spike bottom was just too sharp while the subsequent pullback lower ended in a shallow wedge type structure it was rather fat that. This just left the double top towards the end of the day that had potential for 20 pips.

AUDUSD



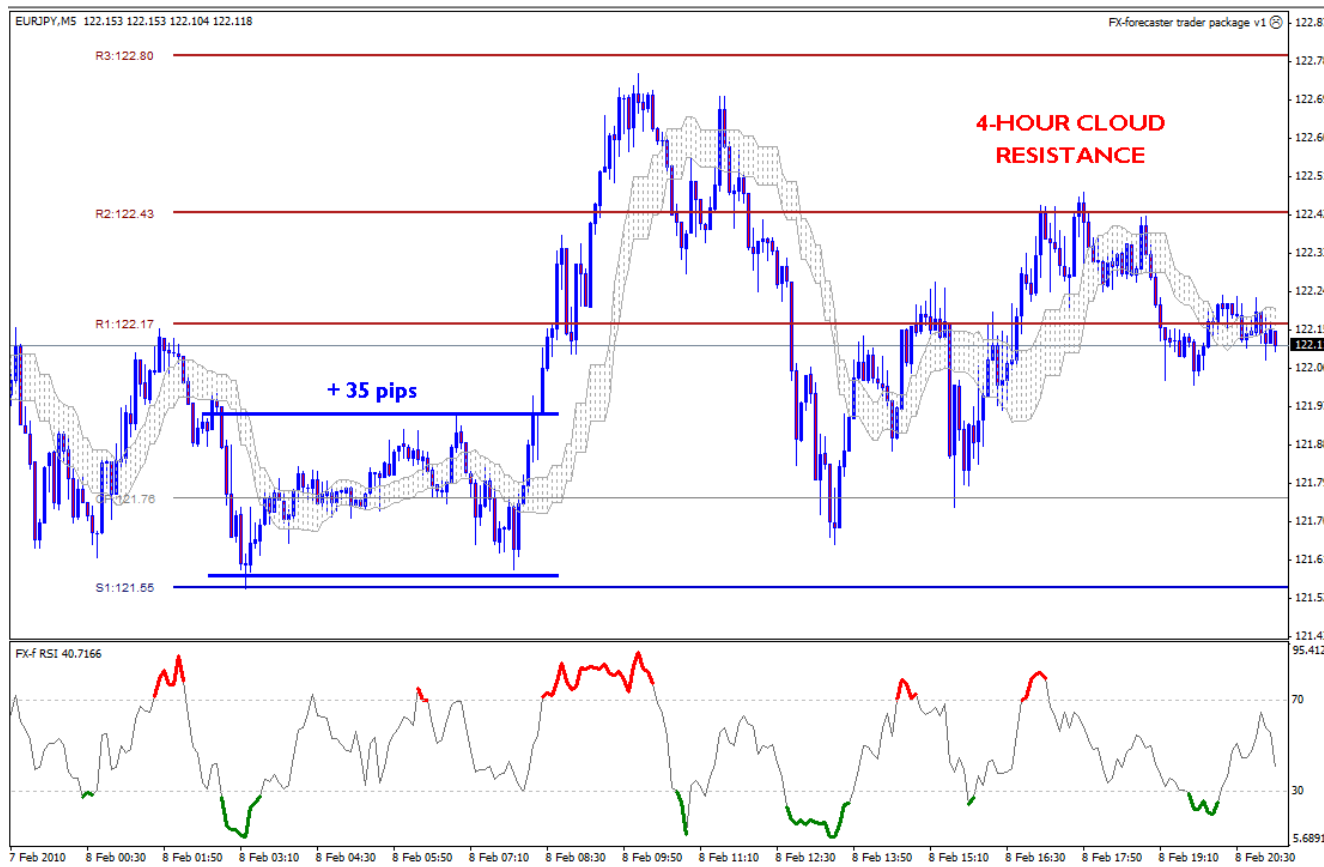
A 60 pip range again doesn't provide a lot of potential and over the day there wasn't really anything to go for. The support & resistance didn't hold up very well either... However, we have ended the day with the hourly FX-f Equilibrium Cloud supporting and the 4-hour Cloud providing resistance. The hourly bullish divergence hasn't managed to break above the 0.8717 high and this is in danger of triggering another dip lower. However, with 4-hour FX-f RSI pulling back higher there may be potential for a bullish divergence developing on any new low in price. The day really didn't produce any opportunities. However, note the potential for a 50 pip double top – we need to see a break below the trough.

USDCAD



There was a slightly larger range but overall a very choppy & erratic day. We had a bullish divergence as price reached its day's low just below the 1.0664 support and this generated an inverse head & shoulders. However, in the first rally it didn't reach target. If we could have waited through all that subsequent messy sideways consolidation perhaps we could have taken profit. However, it's unlikely and at the very least we could have exited at break even. It looks as if the consolidation is almost complete and while the hourly FX-f Trailing Stop is displaying a consolidation the 4-hour is still bullish. 4-hour FX-f RSI has pulled back and should provide a bearish divergence on the next rally. We just need price to clear above the 4-hour FX-f Equilibrium Cloud.

EURJPY



There was a double bottom at the 121.55 support early in the day which provided opportunity or 35 pips profit. Price rallied strongly to just below the 122.80 resistance and almost made a double top but the spread between the two peaks was more than 10% of the implied profit target which can often make the pattern unstable. In this instance it didn't so perhaps the opportunity was wasted... However, after that price fell into a trading range. Overall the hourly bullish divergence has seen FX-f RSI reach overbought but price has not broken above the prior swing high. 4-hour FX-f RSI has pulled back from oversold but FX-f Trailing Stop is still registering a bearish trend. Overall the situation looks more bearish. Only if there is a little more consolidation to generate a larger right shoulder which then sees the neckline broken will the potential inverse head & shoulders be realized.

GBPJPY



It was a choppy day with wide swings which didn't really provide any reversal signals and was complicated by price oscillating around the hourly FX-f Equilibrium Cloud. I can't see any clear cut signals over the day. Overall both hourly & 4-hour FX-f Trailing Stop remain in bearish trend mode and considering price hasn't really managed much of a pullback (as indicated in the weekend report) the risk remains lower. This is amplified by the bearish conditions in FX-f RSI. I'll still expect this to decline.

