

USDCHF

Price

0.8471

31st May 2011

Resistance	0.8495-05	0.8530	0.8547-61	0.8590	0.8625	0.8650-60
Support	0.8464	0.8431	0.8411	0.8358-92	0.8332	0.8313

Bias We should see losses to 0.8411 at least - and possibly 0.8358

The underlying MT direction is bearish while the daily bias is bearish. Therefore the main risk is lower. Ensure that key resistances levels hold. Note key support levels that would suggest continuation of the bearish move. Consider confirming this with a bearish set up pattern in price or with bearish set up patterns. It would also be advisable to study both lower and higher time frame charts for evidence to support bearish trades

Consider buy set ups at: 0.8358 (with extreme care...)

Consider sell set ups at: 0.8460 or 0.8547-61

THE DAY'S OUTLOOK:

I :

can't see any "let up" in the decline...

Losses extended in a rather "frightening" pace... and does appear to imply quite a shocking drop. Keep this in mind and favor the downside. A move below the 0.8464 low looks imminent and should maintain the downward velocity through to 0.8411 at least. There is some hint that this could hold but a stronger and deeper projection lies at 0.8358. Do consider this for a possible pullback. However, given the strength of the decline make sure there is some reason to buy. Any break below 0.8358 would imply 0.85313 and the next projection area is around 0.8244.

Only if 0.8464 somehow magically remains intact is there any chance we could see a recycling back above the 0.8495-05 pivot resistance and back to the 0.8530 high and then the 0.8547-61 deeper retracement target. Only a clean break above here would surprise for gains through 0.8590 & 0.8625... then the 0.8650-60 pivot area.

THE MEDIUM TERM OUTLOOK:

I :

am seeing a potential excessive drop...

31st May: That wasn't a decline, that was a collapse and doesn't look complete. Indeed, this looks like a massive extension lower... The bottom line resistance is the 0.8547-61 area but any direct loss of 0.8464 would open up 0.8411, 0.8356 and overall this could even have interim potential to 0.8244 and 0.8202... even that would only cause a correction. Only back above 0.8565 would imply a recovery to the 0.8650-60 area... then I'd have to review...

www.fx-forecaster.com

READ MY BLOG ON: <http://fx-forecaster.blogspot.com/>

info@fx-forecaster.com

© Ian Copsey 2011

[UPCOMING WORKSHOPS IN
HONG KONG AND SINGAPORE](#)



[U.S. INDICES](#)
[Twice weekly Harmonic Elliott Wave updates for
DJIA, S&P 500 & NASDAQ](#)

DISCLAIMER: Daily Forecaster is an analytical tool only and is not intended to replace individual research. The service is offered as an opinion on the current state of the market with anticipated trading signals but not recommendations. The information provided in Daily Forecaster should not be relied on as a substitute for extensive independent research before making your trading/investment decisions. Ian Copsey is merely providing 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. The opinions are subject to change without notice. Opinions or views expressed in Daily Forecaster are not meant to be either investment advice or a solicitation or recommendation to establish market positions. 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.