

EURJPY

Price

128.13

26th January 2010

Resistance	128.35-50	129.00	129.49	129.78	130.45-51	130.93
Support	127.80	127.50	127.19	126.53	126.02	125.28-64

Bias If this breaks above 128.35-50 then I feel that we should see acceleration higher back below 127.19 sees losses

The underlying MT direction is neutral while the daily bias is neutral. Therefore it may be better to sit out of the market or trade breaks when supported by bullish or bearish set up patterns. It is advisable to study both lower and higher time frame charts for evidence to support a trade in either direction. It may well be advisable to take profits when seen or if there is a larger break out to consider using a trailing stop to protect profits.

Consider buy set ups at: 128.35-50

Consider sell set ups at: 127.75-80 (aggressive) or 127.19

Daily Bullish	Price was stronger than expected and this is forcing us into a similar situation as in EURUSD... Indeed, any break above 1.4192-00 EURUSD should see a reaction higher here also. However, until that occurs take care. If seen then I'd look for gains to extend to 129.49 at least but take a little care here. If EURUSD has broken higher then we'll probably see stronger gains above 129.78 and onto the 130.45-51 area. However, this should hold on first test. Note next resistance at 130.93 and then the 131.30-50 pivot area.
Med Term Bullish	26th January: This is getting closer to reversal. However, the 129.49-78 area still looks potential resistance (while EURUSD remains below 1.4192) so still take care. A stronger rally would target 130.45-51 at least and potentially 131.30-50...
Daily Bearish	There is a 5-minute bearish divergence while hourly & 4-hour have potential to turn bearish but are still currently rising. Thus we still need to take care. There is pivot support at 127.50-80 and corrective lows at 127.19 and below here would begin to raise the chances of stronger losses back to the 126.53 low... Below here note support at 126.02 and probably maximum 125.28-64.
Med term Bearish	26th January: I remain bearish for 125.50-79 at least (but now with more caution due to the 1.4192 break area in EURUSD) - and this is the favored target. However, note the minor risk of seeing as low as 124.92 and maybe even 124.45...

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For yesterday's trade set up report together with a review of support & resistance levels please see:

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