

AUDUSD

Price

0.9016

10th May 2010

Resistance	0.9030	0.9070-80	0.9115	0.9143	0.9167	0.9224-74
Support	0.8985	0.8949	0.8910-20	0.8860	0.8804	0.8736

Bias While 0.9070-80 caps there is still risk of losses

The underlying MT direction is bearish while the daily bias is neutral. This may indicate price consolidation or an unclear wave structure that needs confirmation. Note key MT support & resistance levels that may break the MT trend or would suggest a resumption of the move lower. It is very important that you consider either bullish or bearish set up patterns in indicators or lower time frame charts to support S&R breaks.

Consider buy set ups at: 0.9080-90

Consider sell set ups at: 0.9070-80

THE DAY'S OUTLOOK:

I am : looking for 0.9070-80 to cap for losses

The rally has been stronger than expected and should follow-through above 0.9030 and into the 0.9070-80 area. However, take care here as this appears to be critical. I feel it should hold and allow losses to develop. Back below 0.8985 would trigger follow-through to 0.8910-20 en route 0.8860 and 0.8804. Look for a correction from around this area. Later it should retest the 0.8736 low...

Only a break above 0.9080-90 would concern and probably imply that we have seen the full extent of the downside. If seen then look for follow-through above 0.9115 and 0.9143 en route 0.9143-67 initially but expect a correction from here. Next resistance is at 0.9224 & 0.9274...

THE MEDIUM TERM OUTLOOK:

I am: still looking for new lows after the correction

10th May: I still have a preference for a retest closer to the 0.8574 corrective low and for this the 0.9070-80 area needs to cap. Thus watch this resistance carefully... While it holds we should see a retest close to the 0.8736 low and after a pullback to the 0.8578 area...

Only directly back above 0.9070-80 would raise the threat of a more direct recovery towards 0.9137 and 0.9274...

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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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