

**EURJPY**

**Price**

**118.93**

**11th May 2010**

<b>Resistance</b>	<b>119.40-57</b>	<b>119.95</b>	<b>120.20</b>	<b>120.72-00</b>	<b>121.60</b>	<b>122.28-48</b>
<b>Support</b>	<b>118.75</b>	<b>118.09-23</b>	<b>117.69</b>	<b>117.32</b>	<b>116.73</b>	<b>115.75-14</b>

**Bias** I feel the downside risk is greater but cannot rule out an initial pullback to the 120.20 area

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 an indicator. Only consider a possible larger reversal higher should key MT resistance break and is supported by a bullish set up in price or an indicator.

**Consider buy set ups at:** 119.60

**Consider sell set ups at:** 118.00-10 or 120.20-50

**THE DAY'S OUTLOOK:**

**I : am mixed in the short term**

The upside was stronger than expected but the rally stalled just below the 122.48 resistance. I feel therefore that the downside holds the greater risk. The only short term issue is whether the decline resumes directly or after a pullback to the 120.20-50 area... Thus I feel we should consider the 120.20-50 area for bearish trade set ups or a direct break below 118.00-09. Once the decline resumes look for follow-through to 117.32-69 at least - if these give way then the 116.73 area which is my favored target for a correction to develop. Next support is at 116.14...

Only an earlier break above 120.20 and 120.50-71 would begin to suggest a stronger push higher with immediate resistance at the 121.00 pivot area. If this breaks then it should trigger a retest at 121.50-60 and 122.28-48.

**THE MEDIUM TERM OUTLOOK:**

**I am: more favored to the down side**

11th May: While 122.28-48 caps I feel there is risk of a messy sideways correction developing before another break lower.

Only an earlier break above 122.50 would imply a more direct bullish structure.

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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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