

**GBPUSD**

**Price**

**1.5514**

**6th January 2011**

<b>Resistance</b>	<b>1.5538</b>	<b>1.5557</b>	<b>1.5591-12</b>	<b>1.5626</b>	<b>1.5644-64</b>	<b>1.5698-19</b>
<b>Support</b>	<b>1.5473</b>	<b>1.5450</b>	<b>1.5432</b>	<b>1.5412</b>	<b>1.5385</b>	<b>1.5320-43</b>

**Bias** This must move below 1.5450 to extend losses else we could see this move back into range

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: 1.5540

Consider sell set ups at: 1.5445

### THE DAY'S OUTLOOK:

I :

see 1.5450-1.5540 as the key range

Losses developed but with less ferocity compared to EURUSD. The low at 1.5450 was a bit lower than I would have preferred for a sideways consolidation but I could accept it as long as it remains intact... Thus, 1.5450 provides a clear break for the downside. Equally, if the downside is to develop then the 1.5535-38 area should provide resistance... Thus, 1.5540 provides the break for a move back higher within range... If this breaks then look for gains back through 1.5557 and into the 1.5591-12 area which should hold for a pullback lower.

A break of 1.5450 would lead to stronger losses through 1.5432 & 1.5412 and to 1.5385 at least. From this point take care and begin to look for any bullish trade set ups. A more aggressive extension could actually push this as far as 1.5320-43... but that's the most I would expect for now...

### THE MEDIUM TERM OUTLOOK:

I :

remain with an open mind...

6th January: The sideways consolidation still looks a possibility even though we saw a drop to 10 pips below the 1.5460 support. This would lead to a cap around 1.5591-12, a correction but then imply a stronger bullish outlook...

The key for the downside is now the 1.5450 low - breach implying a move to 1.5385 & possibly 1.5320-43 before a correction and then extension to 1.5235-70...

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