

GBPUSD

Price

1.4611

14th May 2010

Resistance	1.4630-58	1.4702	1.4731	1.4764-97	1.4820	1.4870-16
Support	1.4571	1.4550	1.4512	1.4464-79	1.4436	1.4396-04

Bias I suspect a pullback to the 1.4764-97 area before losses back to the 1.4479 low...

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: 1.4464-79

Consider sell set ups at: 1.4764-97

THE DAY'S OUTLOOK:

I : see momentum remains bearish

Losses were pretty emphatic and momentum remains bearish. However, I feel that while 1.4550-71 supports there is early risk of a pullback higher. A move above 1.4702 (which should initially hold) will extend gains through 1.4731 and into the 1.4764-97 resistance area. This is a critical pivotal area. Given the momentum conditions I feel this will cap for losses right back down to the 1.4550-71 area where a shallower correction should be expected before losses through to the 1.4479 low again. There may be marginal overlap with 1.4436-64 being the maximum I expect. Below there would maintain the downtrend for 1.4396-04 and probably more.

Now, if we get a break above 1.4800 then the picture changes. The 1.4550-71 area is a valid retracement area which could hold if a larger sideways consolidation develops. Then a break above 1.4800 would extend gains, although the risk will be that this is rather erratic, towards 1.4860-80, 1.4916 and then the 1.4951 area.

THE MEDIUM TERM OUTLOOK:

I am: overall bearish but possibly a sideways consolidation

14th May: This steep decline actually looks as if it is part of a larger correction and similar to EURUSD would imply, as long as 1.4436-79 supports, a total recycling of the correction back to the 1.5049 high... A direct recovery would imply a possible triangle and a longer period of sideways movement...

Only a direct break below 1.4436 and 1.4396 would imply direct continuation of the larger downtrend possibly as far as 1.4184....

www.fx-forecaster.com

Blog: <http://fx-forecaster.blogspot.com/>

info@fx-forecaster.com

© Ian Copsey 2010

For yesterday's trade set up report together with a review of support & resistance levels please see:
<http://www.fx-forecaster.com/DailyForecast.html>

NEW!! FX-forecaster Trader Package now available at €20.00 pm

(for MT4 users)

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.

