

AUDUSD
Price
0.8800
17th May 2010

| | | | | | | |
|-------------------|------------------|---------------|---------------|------------------|---------------|---------------|
| Resistance | 0.8800-20 | 0.8840 | 0.8860 | 0.8890-05 | 0.8935 | 0.8970 |
| Support | 0.8769 | 0.8736 | 0.8699 | 0.8675 | 0.8643 | 0.8578 |

Bias **Momentum is indicating further losses**

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: 0.8675 or 0.8578

Consider sell set ups at: 0.8800-20

THE DAY'S OUTLOOK:
I :
feel that selling on pullbacks best

Typical for this pair it messes around and then just collapses... the current decline is strong and momentum remains bearish. Therefore do not consider buying unless there is strong bullish signal. Until then the 0.8800-20 area should cap for follow-through below 0.8769 and then the 0.8736 low. Take care around here as there is a chance we could see a correction higher. Next support is at 0.8675, 0.8643 followed by the larger 0.8578 low.

Only an earlier break above 0.8820 would concern but even then I feel just for a correction. Then note resistance at 0.8860 and stronger at 0.8935.

THE MEDIUM TERM OUTLOOK:
I :
remain bearish for 0.8578 again

17th May: At last this looks like testing the 0.8736 low. Really this should cause a correction but momentum is pretty bearish so take care. Eventually I see risk of a retest at the 0.8578 low once again.

Only directly back above 0.8820 & 0.8860 would raise the risk of a deeper correction

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.

