

THE BRIEF DAILY FORECASTER

USDCHF

Price

1.1353

18th May 2010

Resistance	1.1374-84	1.1400	1.1440-63	1.1542	1.1600-10	1.1666
Support	1.1300-20	1.1276	1.1227-59	1.1190	1.1130-40	1.1077

Bias While 1.1227-76 supports I feel there is still room for gains through to 1.1542 at least and possibly 1.1666

The underlying MT direction is bullish while the daily bias is bullish. Therefore the main risk is higher. Ensure that key supports levels hold. Note key resistance levels that would suggest continuation of the bullish move. Consider confirming this with a bullish set up pattern in price or an indicator. Only consider a possible larger reversal lower should key MT support break and is supported by a bearish set up in price or an indicator.

Consider buy set ups at: 1.1257-76

Consider sell set ups at: 1.1542 or 1.1666

THE DAY'S OUTLOOK:

I : am looking for one more high before a deeper correction

Yesterday's gains reached just short of the higher 1.1449 resistance from where we have seen a pullback. I remain more bullish and feel that any pullback should remain above the 1.1257-76 area. From there, or a direct break above the 1.1403 corrective high followed by the 1.1440 high I feel the greater risk remains higher for 1.1463 and 1.1542 at least. If I have any stronger preference I see the 1.1666 area as a target but I'm aware this is far more aggressive than the EURUSD target...

Only below 1.1227-59 would imply we are already seeing a deeper correction and in that case we should be watching the 1.1190 pivot support followed by 1.1170 and 1.1430-40... I don't really favor this as it seems a bit too low... Breach would suggest a much stronger bearish influence I feel... though the congestion area around the 1.1070 corrective low should contain price.

THE MEDIUM TERM OUTLOOK:

I : remain cautiously bullish

18th May: From what I can see the 1.1440 high is not the end of this part of the uptrend and while 1.1257-76 supports there is risk for 1.1542, 1.1603 and even the 1.1666 area is possible.

The only risk I see is direct losses which break below 1.1227-59 and then the 1.1160-90 area to see a recycling back to 1.0923...

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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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