

EURJPY

Price

107.21

11th January 2011

Resistance	107.35	107.66-75	108.07	108.54	108.90-10	109.74-23
Support	107.05	106.40-70	106.10	105.43-71	105.10	104.55

Bias Consolidation is still possible but the larger risk remains lower

The underlying MT direction is bearish while the daily bias is neutral. This may indicate price consolidation or an unclear wave structure that needs confirmation. Note key MT support & resistance levels that may break the MT trend or would suggest a resumption of the move lower. It is very important that you consider either bullish or bearish set up patterns in indicators or lower time frame charts to support S&R breaks

Consider buy set ups at: 108.60 or 105.70-80

Consider sell set ups at: 107.60-90

THE DAY'S OUTLOOK: I : still see some short term uncertainty

Overall I feel this is going to 105.71 and later maybe as far as 104.55. However, it's the short term that provides some uncertainty with support at 106.40-70 and resistance at 107.66-75... There is still room for some messy price action between these levels ahead of the anticipated losses. Only above 107.90-07 would retest the 108.54 pivot resistance. However, if this is seen it would tend to point to higher levels later...

Below 106.40 would extend losses to 105.71 (minor risk of 105.45) but I will expect a correction from this area before it can extend losses to 104.55...

THE MEDIUM TERM OUTLOOK: I : see Friday's losses implying a test of 105.71 & maybe 104.55

11th January: I've take a further look at this and while the near-term is still a little uncertain with risk of some choppy price action, overall while the 107.66-00 area caps I still expect the 105.71 target to be reached - and that could cause further pullbacks but overall I am more in favor of a test of 104.55 before a larger correction. Only above 108.60 now would damage the near term bearish structure.



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