

EURUSD

Price

1.3880

4th February 2010

Resistance	1.3925	1.3950	1.3974-95	1.4025	1.4084	1.4133
Support	1.3852-66	1.3820	1.3786	1.3747-65	1.3685	1.3652

Bias Slightly mixed but prefer a bullish stance while 1.3852-66 supports...

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: 1.3852-66 (with care) or 1.3925-50

Consider sell set ups at: 1.4133 or 1.3850

Daily Bullish	The sharp moves are difficult to read but I feel that overall we have not yet completed the upward correction. Thus, while the 1.3852-66 area continues to hold I feel that we are more likely to see gains back above the 1.3925-50 peaks and take us right back to the 1.4025 high and beyond. I suspect that around 1.4066-84 we should see a pullback but the larger target remains at 1.4133. The only complication that could occur is a dip to 1.3786-20 before higher...
Med Term Bullish	4th February: With the break of 1.3981 the natural target is back at 1.4133 (and minor risk of up to 1.4188.) This will require the 1.3852-66 area to remain intact. Watch the 1.3786 support also that could hold in a more complex correction but then be limited to 1.4025-66.
Daily Bearish	Only look for losses if the 1.3852 low breaks. This event would extend losses to 1.3820 at least and potentially the 1.3786 support. These two areas are at risk if we are going to see a larger complex correction that could still generate a second recovery. Thus the stronger bearish signal will be loss of 1.3785 which will then trigger test of the daily 1.3747 low and potentially an eventual target around 1.3652 minimum...
Med term Bearish	4th February: I retain the 1.4133 resistance as the ideal selling level. Only an earlier break of 1.3852 and 1.3786 would suggest more direct losses to 1.3652 minimum and possibly even 1.3576...

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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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