

EURUSD

Price

1.3124

13th January 2011

Resistance	1.3143-56	1.3180-95	1.3214	1.3244	1.3276-87	1.3304
Support	1.3113-18	1.3080	1.3050	1.3015-20	1.2980-85	1.2961

Bias I feel we should see a pullback to around 1.3050-80 but then risk further gains

The underlying MT direction is bullish 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 higher. 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: 1.3050-80

Consider sell set ups at: 1.3287-04

THE DAY'S OUTLOOK: I : see these gains as potentially very bullish

I thought I'd got the top at 1.3046... but then the rally above there and the 1.3084 area appears to have put paid to the downside. Look for a retracement back to the 1.3050-80 area but then look for a bullish trade set up. This should take it back up to 1.3143-56 and it seems most likely then that we'll see steady gains through 1.3180-95, 1.3214 to 1.3244 minimum. I feel a better fit in the structure should imply an eventual intermediate target at 1.3287-04...

If the still thin market has caused me to consider a reversal higher too quickly then it's a break of the 1.3050 support - at a stretch 1.3015-20 - that will confirm. If these give way then it should take us back into a bearish trend again and in that case see losses extend through 1.2961-85 and onto below 1.2904...

THE MEDIUM TERM OUTLOOK: I : feel we must wait for losses now

12th January: I may be reacting too quickly... I don't think so but best take care until it's confirmed - but while 1.3050 supports the risk appears to be for a complete recycling back to the 1.3497 high... On the way I'd expect to see the 1.3287-04 area provide a pullback...

An immediate drop back below 1.3020-50 will whip me back round to the downside again for losses to the 1.2860 low and to 1.2653 at least...

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