

USDJPY

Price

89.92

21st May 2010

Resistance	90.16-32	90.62	90.86-96	91.30	91.53	92.07
Support	89.70	89.32	88.97	88.45-65	88.21	85.51-74

Bias: I feel the 90.62-96 area is going to be crucial

The underlying MT direction is neutral while the daily bias is neutral. Therefore it may be better to sit out of the market or trade breaks when supported by bullish or bearish set up patterns. It is advisable to study both lower and higher time frame charts for evidence to support a trade in either direction. It may well be advisable to take profits when seen or if there is a larger break out to consider using a trailing stop to protect profits.

Consider buy set ups at: 91.00

Consider sell set ups at: 88.13-21

THE DAY'S OUTLOOK:

I : feel there is probably another leg lower to come

Clearly yesterday was not anticipated... It does open up a larger downside risk should the 88.13-21 lows break. There are a variety of possible complications and therefore it may be better to sit out and observe. If the upside extends further then the 90.62-96 area looks critical to me and I feel it will probably hold. If so then a renewed attack on yesterday's 88.97 low would be expected and after a pullback we should be watching for a test of the 88.13-21 corrective lows. Breach extends losses to 87.51-74 and possibly 87.05 (max 86.76 - dependent on where this correction stalls.)

If we see direct losses then take care around the 88.45-65 area which could force the correction to recycle. Only directly above 91.00 would revert back to a more bullish structure but possibly still within range. There is pivot resistance around 91.53 and above there retracement resistance at 92.07 & 92.53 en route the 92.95-05 area.

THE MEDIUM TERM OUTLOOK:

I : am waiting to see whether 88.13-21 breaks

21st May: The immediate bullish structure has been broken and maybe at risk of a larger reversal lower... However, wait for confirmation by a break of 88.13-21. Back above 91.00 would bring some stability back but possibly within a consolidation...

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.

