

GBPUSD

Price

1.5845

14th January 2011

Resistance	1.5860	1.5883	1.5910	1.5950-68	1.6005-25	1.6121
Support	1.5820	1.5800	1.5743-76	1.5718	1.5660	1.5614

Bias While 1.5800-20 supports I look for follow-through to 1.5950-68 (max 1.6005-25) before correcting lower

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: 1.5800-20

Consider sell set ups at: 1.5950-68 (care) or 1.5795

THE DAY'S OUTLOOK: I : still see room for another rally today

While the key 1.5710-20 support held perfectly the rally was much stronger than expected to reach 1.5883... However, this doesn't look complete. While the 1.5800-20 support holds the risk still appears to be higher for a retest at 1.5883-1.5910, a correction and then follow-through to the 1.5950-68 area. I think this will hold but also note the 1.6005-25 resistance. Watch for potential bearish trade set ups at 1.5950-68 ... and if this breaks then at the 1.6005-25 area.

Only directly below 1.5800 would suggest risk is turning for a deeper correction. If seen the next major support is at the 1.5718 swing low and then at 1.5614...

THE MEDIUM TERM OUTLOOK: I : am becoming aware of an alternative bullish structure

13th January: The bearish structure still hasn't broken even with the move to 1.5780... but with momentum now more on the bullish side there's more reason to be cautious. While the 1.5710-20 area supports there is most definitely upside risk for 1.5820 and later 1.5860-96, another correction and then on to the 1.6025 area. If 1.5700 gives way then perhaps I have reacted too quickly... and would imply we have just seen a deep correction which will imply losses back to 1.5344 and the 1.5296 weekly swing low.

www.fx-forecaster.com

READ MY BLOG ON: <http://fx-forecaster.blogspot.com/>

info@fx-forecaster.com

© Ian Copsey 2010



HARMONIC ELLIOTT WAVE
The first Harmonic Elliott Wave training
courses will be available at an early bird's discount
[Click here for more information](#)

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.