

USDCHF

Price

0.9649

18th January 2011

Resistance	0.9667	0.9686	0.9715-23	0.9744-54	0.9783	0.9841-89
Support	0.9630	0.9594-04	0.9574	0.9542	0.9461-00	0.9414

Bias This remains in the balance although the basic expectation is for the rally to resume - preferably directly...

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: 0.9594-04 or 0.9690

Consider sell set ups at: 0.9590

THE DAY'S OUTLOOK: I : feel the 0.9594-04 area must hold to generate direct gains

Price has fallen into some pretty tight range trading just above the 0.9604 corrective low that held on Friday. I still feel we should perhaps allow for 0.9594... If direct gains are to be seen I feel that we may well see some extended sideways range trading over the early part of the day but then a blip up to 0.9715-23 or possibly as far as 0.9744-54... This should still cause a correction before any further gains can be seen. However, once these start then the 0.9783 high should break quite quickly as there is still a long way to go higher...

Consequently it's a break below 0.9594-06 that will cause a much deeper pullback. Take care as this could be a bit of a rush if seen... There is a possible temporary support at 0.9542 but I'd expect a much deeper correction to 0.9461-85 at least... and can't rule out closer to 0.9414...

THE MEDIUM TERM OUTLOOK: I : want this to move higher... but...

18th January: The general picture remains the same. I'd prefer the 0.9594-04 support to hold and for gains to develop more aggressively above 0.9783 and through to 0.9943 minimum and potentially 1.0025. This should cause a correction ahead of gains above 1.0065 and to the 1.0300 area minimum. (Max 1.0444.) The problem I have with a break below 0.9590 would be that we need the pullback to reach 0.9461-00 minimum and probably 0.9414 before higher - seems too much...

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