

USDJPY

Price

83.37

11th February 2011

Resistance	83.44	83.63	83.94	84.19	84.50	84.90-31
Support	83.20-25	82.98	82.60-80	82.40-45	82.20	81.76

Bias: Hourly momentum is slowing so I expect a correction

The underlying MT direction is neutral while the daily bias is bearish. Caution is advised but there is a mild preference for losses within a consolidation. However, be aware of the risk of choppy price action that could hit stops. Therefore take note of both daily & MT S&R and confirm any bearish trade with bearish set up patterns. It would also be advisable to study both lower and higher time frame charts for evidence to support bearish trades

Consider buy set ups at:

83.75 or 82.40-60

Consider sell set ups at: 83.44-70 or 82.15

THE DAY'S OUTLOOK:

I :

am looking for a correction at the very least

The rally has surpassed the 83.30 target and this opens the 83.44 and 83.67 resistances. Hourly momentum is seeing a mild bearish divergence while 4-hour momentum is still rising in overbought territory. From what I can see we should find a top in this 83.44-67 area and quite how deep this falls will be important. There is close initial support at 83.20-25 but once this breaks we should see a move back to the 82.60 area. From here we have to take more care. There is further support at 82.40-45 and more important at 82.20. Ideally the 82.40-60 area should do the trick and send this higher again.

Any earlier break above 83.70 would look awfully bullish... the next barrier being at 84.19 & the 84.50 high. These should stall the rally also... Only a break below 82.15 will imply we may have seen a high within a larger sideways consolidation. Next support is at the 81.76 corrective low and below there the 81.40-60 area beckons.

THE MEDIUM TERM OUTLOOK:

I :

find the strength almost persuasive...

11th February: There has been a decent bullish run and with 4-hour momentum firm we can't totally rule out further gains... However, wait for break above 83.75... that would call for 84.50, 85.31-78 and above.

Until then the larger sideways consolidation cannot be ignored also... but require a cap at 83.44 and losses below 82.20-40 to see 81.40-60 again...

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