

**EURUSD**

**Price**

**1.3858**

**3rd March 2011**

<b>Resistance</b>	<b>1.3889-99</b>	<b>1.3921</b>	<b>1.3956</b>	<b>1.3992-06</b>	<b>1.4027</b>	<b>1.4068-95</b>
<b>Support</b>	<b>1.3837-47</b>	<b>1.3803-16</b>	<b>1.3777</b>	<b>1.3742</b>	<b>1.3703-23</b>	<b>1.3680</b>

**Bias** I look for an early dip to the 1.3803-16 support before the rally extends to 1.3992-1.4027

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: 1.3800-20

Consider sell set ups at: 1.3990-30 or 1.3795

**THE DAY'S OUTLOOK:**

I :

continue to look for ratcheting gains

Yesterday's pullback was even shallower than I had expected at the minimum, the subsequent rally finally breaking above 1.3860. This keeps the uptrend in place and should continue. However, the same pattern is expected - an initial pullback to maximum 1.3803-16... Look for bullish trade set ups anywhere close to this support. From here I will be expecting the uptrend to resume back to yesterday's 1.3889 high and then above towards 1.3956 minimum and with my favored target at 1.3992-1.4027. That should cap for a deeper correction.

The risk to the favored scenario is that the 1.3889-99 area caps and we see loss of 1.3800... If this occurs then look for losses to recycle back to the 1.3723-42 area before the rally resumes.

**THE MEDIUM TERM OUTLOOK:**

I :

maintain a bullish outlook

3rd March: The series of shallow corrections is forcing the next intermediate target to rise also - to the 1.3990-1.4027 area. This should force a correction but while it remains above 1.3620-60 there is still another leg higher towards the 1.4195 area (minor risk of 1.4281...)

Below 1.3620-58 would threaten a reversal back lower with 1.3564-84 followed by 1.3525 - breach indicating a return to the 1.3410-27 area.

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