



September 14, 2004 (0930MNL)

## EURUSD Scenario

With markets seeing little of note from Eurozone numbers, Monday came out corrective of last weeks five day rally though outlook for Euro remains bullish in the medium run an immediate test of the bear line being called for. Data for today again puts focus into US releases highlight being the current account deficit seen swelling to -\$156 billion.



**Strategy:** Buy at 1.2225, stop at break of 1.2170. Target approach test of 1.2325 for 1.2390.

**Alternatively:** Sell at the approach of 1.2390, tight stop at break of 1.2410. Target 1.2320.

### Technical Levels

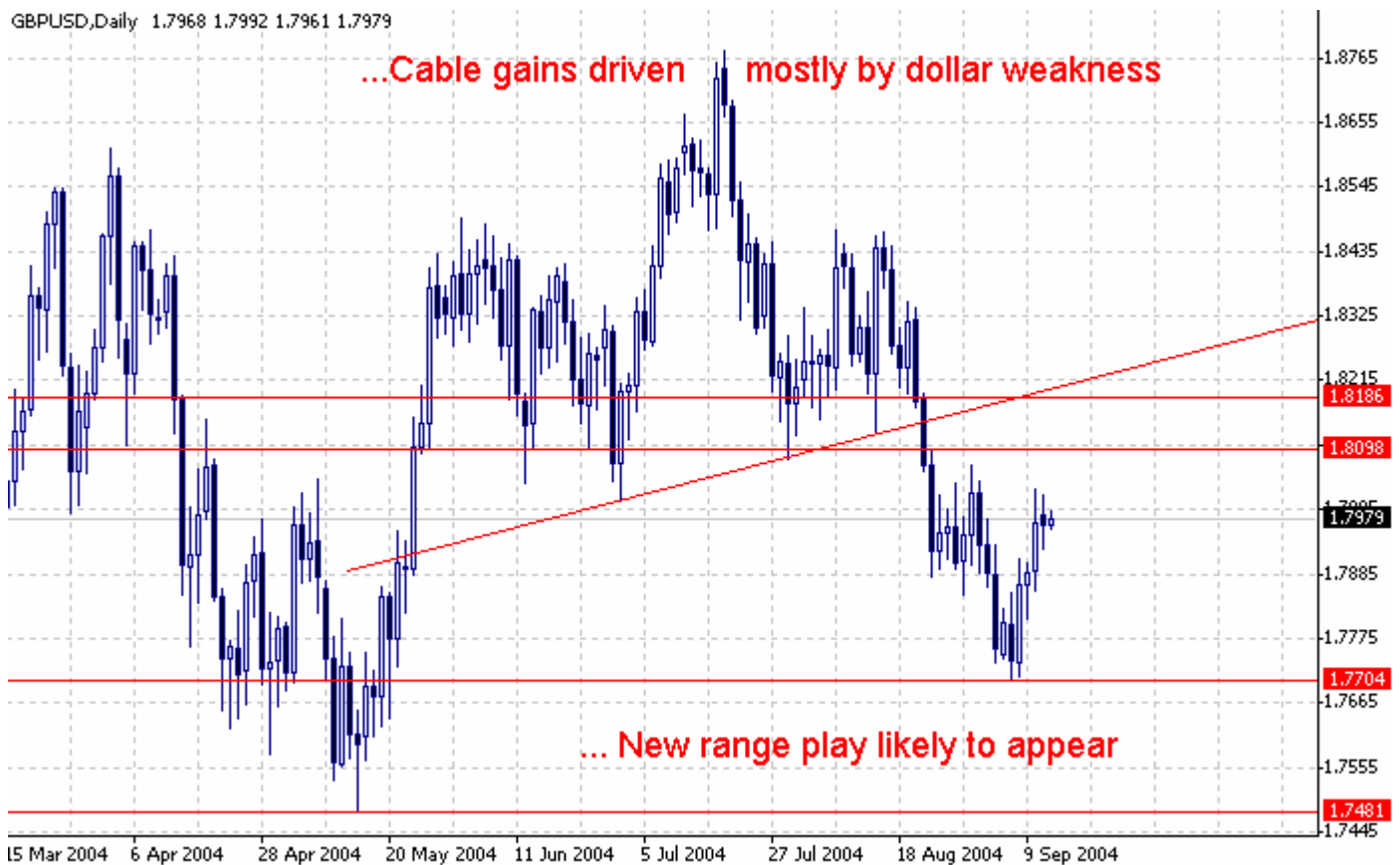
Resistance		Support	
1.2460	moderate	1.2225	minor
1.2390	moderate	1.2170	50% retracement (9-8-04 to 9-10-04)
1.2325	minor	1.2120	moderate



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## GBPUSD Scenario

Given little impetus to trade Cable turned out marginally weaker at the start of the week though Tuesday promises some excitement with the combination of US Retail Sales and Current Account figures and the UK's inflation measures RPI and CPI. The latter should be doubly important to rate watchers as we look for a translation of easing housing price pressures into general inflation.



**Strategy:** Buy at the approach of 1.7930. Stop at break of 1.7880. Look for a test of 1.8030.

**Alternatively:** Sell at approach of 1.8050, look for corrections on initial attempt. Tight stops above 1.8080.

### Technical Levels

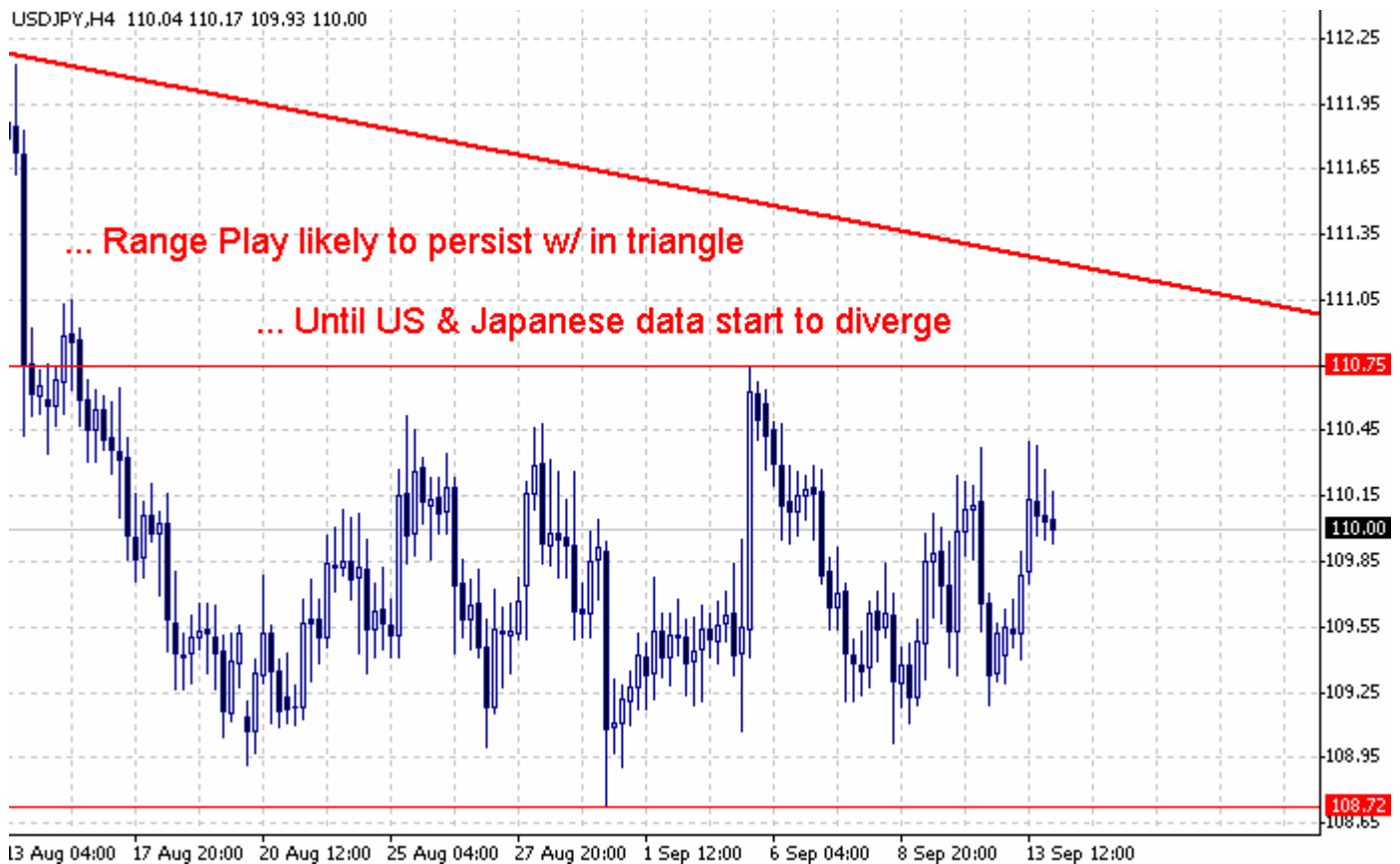
Resistance		Support	
1.8185	moderate	1.7945	38.2 Fib (9-9-04 to 9-10-04)
1.8120	moderate	1.7880	congestion
1.8050	moderate	1.7810	minor



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## USDJPY Scenario

The week started off with the Japanese Yen in softer this mostly as technical plays kicked in and given the broader dollar correction of Friday's move. At this point there has been little change in the fundamentals of both the US and Japan with sentiments likely to keep the pair, USDJPY, with in recent ranges.



**Strategy:** Sell at the approach of 110.30, tight stop at break of 110.75, target of 109.40.

**Alternatively:** Buy at 109.20 or better, tight stop at break of 108.70, target of 109.90.

### Technical Levels

Resistance		Support	
111.05	moderate	109.10	minor
110.75	minor	108.70	moderate
110.45	moderate	108.30	minor