

EURUSD
December 18, 2009
Price: 1.4313

Opinion – Bear

Bias: Daily - Bear

Flows: 1H Neutral, 4H Oversold 1D Oversold

Bulls: Yesterday I thought that EURUSD “felt” Bullish. I was proven wrong. Fortunately, the Inside Bar on the 1D signaled me to leave the previous day’s conservative trade in. That trade made us at least 55 pips. Today, I have to go with the bears. Bulls need to wait for a breakout of the trendline on the 4H chart. If you trade this, let a 1H candle close above the trendline, then pull back. Buy on the re-test of the trendline.

Bears: Even though my bias is bearish, I won’t go short unless price bounces from that same 4H trendline. This is the holiday season, which proves difficult for trading.

Technical

Support	Resistance
1.4303	1.4369
1.4240	1.4419
1.4174	1.4479
1.4111	1.4510
1.4044	1.4570
1.4000	1.4587

Long Trade Setups: 4H Trendline Breakout (about 1.4419)

Short Trade Setups: 4H Trendline Reversal (about 1.4419)

Tim’s Pick

1. Place a buy on a successful breakout of (then pull-back) to the 4H trendline. Stop loss will be below the most recent 1H swing low. Target is 1.4587.
2. Place a sell on a bounce from the 4H trendline. The sell order will be on a breakout of the most recent swing low, with the stop loss just above the swing high which retested the trendline. Target 1.4240.

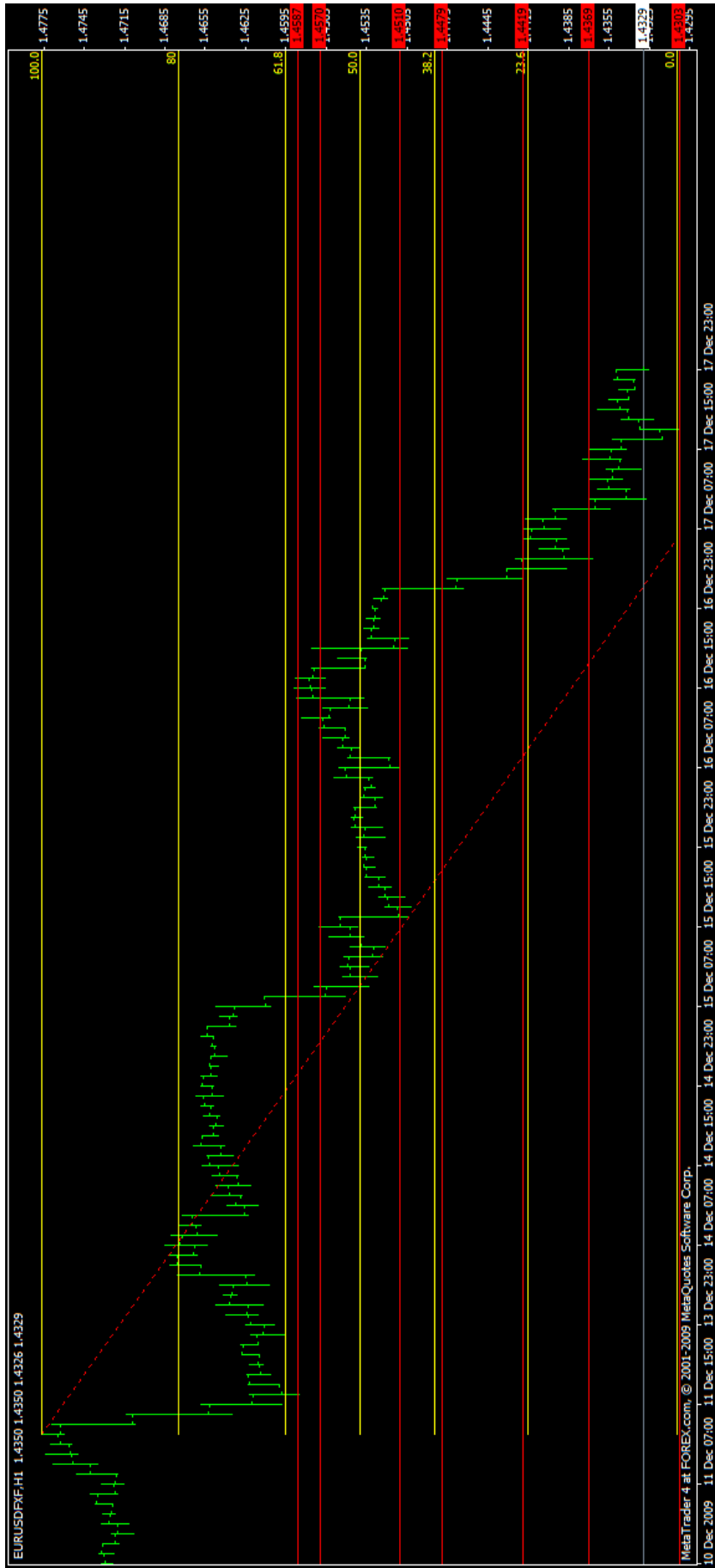
Notes: Be CAREFUL! Reduce your risk!!!

Fundamental Picture

COT: 49/40 (Neutral)

News: There is a somewhat heavy news calendar this week. There are a total of eleven news events that can impact EURUSD. Employment numbers, industrial production, PMI, etc.

Notes: Believe it or not, the news from the US has been good. Employment looks good, consumer spending is up. Other than France and Germany, Europe isn’t doing so well. Look for more bear operations on EURUSD.



EURUSD 1H Chart



EURUSD 4 Hour Chart



EURUSD Daily Chart

