

Currency Crosses: Trading Beyond Majors

Daily Crosses

April 21st, 2006

Euro About To Face Commodity Currency Wrath

1. EURAUD
2. EURCAD
3. EURNZD

EUR/AUD – EUR/AUD spent the last week digesting losses from the 1.7111-1.6499 early April downtrend. Oscillators are turning bearish on the daily with MACD inching towards 0 and RSI just below 50 with a slightly negative slope. Yesterday's rally was rejected right at the 38.2% fibo of the mentioned downtrend from 1.7111 at 1.6732, which remains initial resistance. The recent activity looks like a bear flag as well, with a break below the 4/19 low of 1.6524 favoring a resumption of the larger downward move and targeting the 61.8% fibo of 1.5962-1.7111 at 1.6403.

Key Levels & Technical Indicators

Indicators	Daily Chart	
	Value	Level
Stochastic	22.94	Neutral
RSI	49.06	Neutral
MACD	>0	Positive
ADX(DMI)	9.40	Weak Trend
Momentum	>0	Upside
ATR	137	Medium

Level	Resistance	Details
1.6797	R3	4/3 low
1.6730	R2	38.2% of 1.7111-1.6496
1.6706	R2	Tokyo high
Level	Support	Details
1.6559	S1	4/20 low
1.6524	S2	4/19 low
1.6403	S3	61.8% of 1.5964-1.7111

Carry Trade Value

3.00%

Carry Trade Receiver

EUR/AUD Short



EUR/CAD – EUR/CAD rallied furiously at the end of last week and into the beginning of this week, but was turned back by the 50% fibo of 1.4361-1.3834 at 1.4100. A head and shoulders reversal is evident on the daily chart, suggesting that the path of least resistance is down. Support comes in at the confluence of the 10 day SMA / 50% fibo of 1.3838-1.4111 at 1.3971/75. A break below would target the 4/14 low / 76.4% fibo of the same bear move at 1.3903. Hourly oscillators are sloping down and thus also favor shorts but a push higher would see resistance at the 4/19 high of 1.4111. Only a daily close above the high of the left shoulder (3/20 high) at 1.4223 would negate the bearish implications of the head and shoulders pattern.

Key Levels & Technical Indicators

Indicators	Daily Chart	
	Value	Level
Stochastic	35.99	Neutral
RSI	50.30	Neutral
MACD	>0	Negative
ADX(DMI)	17.09	Weak Trend
Momentum	>0	Upside
ATR	109	Medium

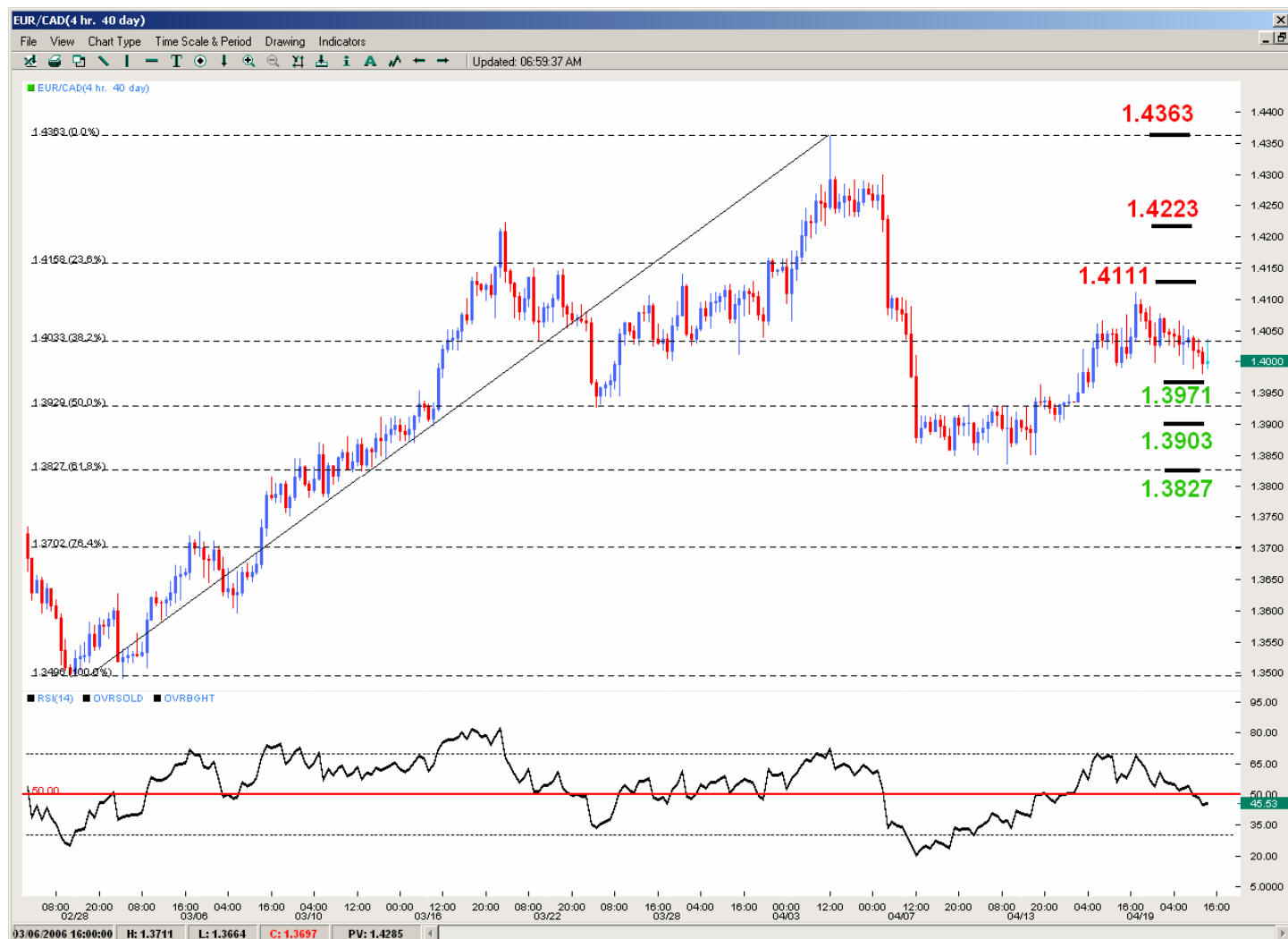
Level	Resistance	Details
1.4362	R3	4/4 high
1.4223	R2	3/20high
1.4111	R1	4/19 high
Level	Support	Details
1.3971	S1	10 day SMA
1.3903	S2	76.4% of 1.3838-1.4111
1.3827	S3	61.8% of 1.3496-1.4363

Carry Trade Value

1.25%

Carry Trade Receiver

EUR/CAD Short



Charts created using **IntelliChart** – Prepared by Jamie Saettele

EUR/NZD – EUR/NZD also spent the past week primarily in a range, bound by 1.9715 and 1.9400. Daily oscillators suggest that the pair is going to resume its descent from the 2.0223 top made on 4/4. RSI is steadily decreasing from previously overbought levels and MACD is declining towards the 0 line. The 10 day SMA also just recently crossed the 20 day SMA – this is the first such cross since a positive cross on 2/21 that preceded the massive run-up from 1.8000. Support comes in at the 4/13 low of 1.9336 with a break targeting the 3/24 low at 1.9136. A rebound from the recent decline sees a test of the double top, also indicating further losses, at yesterday's high of 1.9712.

Key Levels & Technical Indicators

Indicators	Daily Chart	
	Value	Level
Stochastic	25.24	Neutral
RSI	51.23	Neutral
MACD	>0	Positive
ADX(DMI)	20.64	Weak
Momentum	0>	Downside
ATR	239	High

Level	Resistance	Details
2.0226	R3	4/4 high
1.9886	R2	61.8% of 2.0226-1.9336
1.9712	R1	4/20 high
Level	Support	Details
1.9336	S1	4/13 low
1.9136	S2	3/24 low
1.8735	S2	38.2% of 1.6327-2.0226

Carry Trade Value

4.75%

Carry Trade Receiver

EUR/NZD Short



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Weekly Release Schedule

Monday	Tuesday	Wednesday	Thursday	Friday
EURJPY	CADJPY	AUDCAD	GBPJPY	EURAUD
EURCHF	CHFJPY	AUDJPY	GBPCHF	EURCAD
EURGBP	NZDJPY	AUDNZD	GBPAUD	EURNZD