

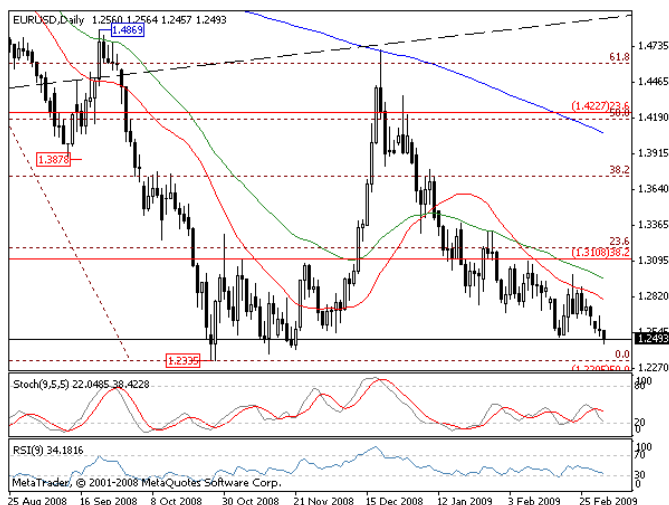
Dollar Continues To Strengthen

The dollar traded near its three-year highs against the major currencies on Tuesday, as investors continued to buy the US currency as a safe-haven in the times of uncertainty. The greenback rose against the yen to 98.25 yen, while the euro remained almost unchanged at 1.2579. The pressure on the Japanese currency continues and its correlation with the stock market seems to be fading. During the day the Federal Reserve Chairman Ben Bernanke said before the Congress, that the banking system hasn't stabilized yet and called for more aggressive measurements to pull the economy out of recession. The US housing market data was disappointing again. The pending home sales for January fell by 7.7%, which was much more than expected -3.0%. The indicator reached its lowest level since it was launched in 2001. During the present week, investors will focus on the major central banks' monetary policy decisions. The Australian central bank surprised the market as it kept its interest rate unchanged at 3.25%, while a cut to 3.00% was expected. On the contrary, the Canadian central bank reduced its rate to a record low at 0.5%. The interest rates in the eurozone and UK are also expected to decline on Thursday.

EUR/USD

The short term picture remains negative as the euro continues to fall. So far the level at 1.2460 shows support to the downward movement, and if broken successfully next targets will be the supports at 1.2420 and 1.2310. On the upside, if the key resistance at 1.3100, which is 38.2% fibo retracement of the 0.8350-1.6034 rise, is broken successfully next targets will be the resistances at 1.3320 and 1.3760.

Support	1.2460	1.2420	1.2310
Resistance	1.3100	1.3320	1.3670



USD/JPY

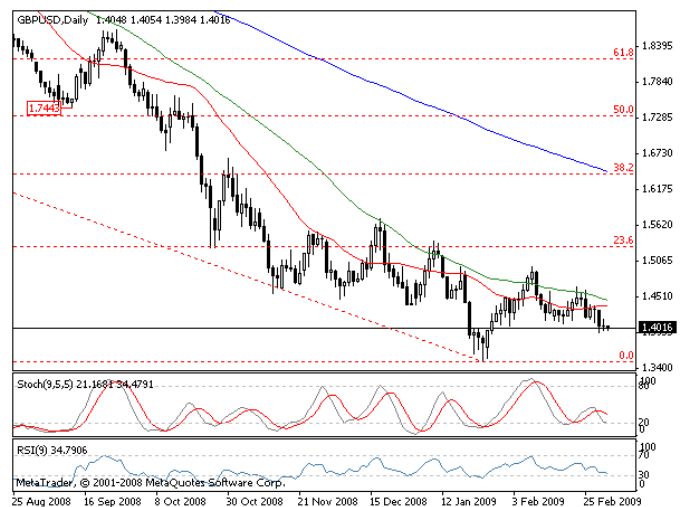
The short picture improves as the pair makes a new attempt to test the key resistance level at 98.70, which is 50.0% retracement of the 110.62-87.12 drop, and which coincides with the 200-days SMA. If broken successfully, next targets will be the resistances at the psychological level 100.00 and 103.00. On the downside, support is seen at 97.00, followed by 96.00, which is 38.2% retracement of the mentioned drop, and 94.50.



Support	97.00	96.00	94.50
Resistance	98.70	100.00	103.00

GBP/USD

The short term picture remains negative as the pair continues to move away from the resistance level at 1.4350, which coincides with the 26-days SMA. So far the downward movement is limited by the support at 1.4000. If broken successfully next targets will be the supports at 1.3670 and 1.3500. On the upside, above 1.4350, resistance is seen at the psychological 1.4500 and 1.5000.



Support	1.4000	1.3670	1.3500
Resistance	1.4350	1.4500	1.5000

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