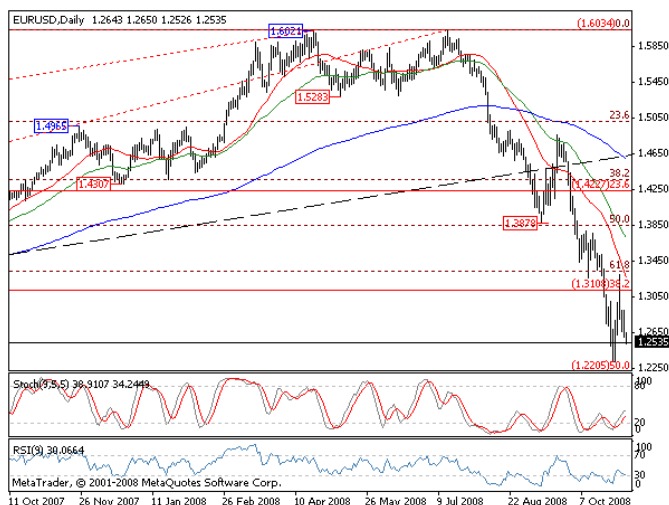


The Dollar Remained Strong against the Majors

The euro moved lower against the U.S. dollar today as the single currency tested offers around the 1.2595 level. The European Commission reported the eurozone is in a technical recession and estimates economic growth will be around null in 2009. EMU-15 banks deposited a record €280 billion with the European Central Bank instead of lending it to other banks. Interbank lending rates continue to moderate. Data released in the eurozone saw October EMU-15 manufacturing PMI falling to 41.1. The ECB is expected to cut rates this week, possibly by 50bps. The yen depreciated versus the U.S. dollar as the greenback tested offers around the ¥99.65 level. Bank of Japan now sees real GDP around 0.1% for the fiscal year ending in March 2009, down from the previous estimate of 1.2%. The euro also moved higher against the yen as the single currency tested offers around the ¥128.45 level. The British pound and Swiss franc came off against the yen as the crosses tested bids around the ¥156.35 and ¥84.55 levels, respectively.



Support	1.2500	1.2340	1.2000
Resistance	1.3000	1.3320	1.3680

USD/JPY

The short term picture remains neutral as the pair consolidates in a narrow range near the resistance level around 98.70, which is 23.6% retracement of the 124.12-90.90 drop. The level was overcome and now the target is on the next key resistance level at 103.50, which is 38.2% retracement of the mentioned drop. A successful test of 103.50 will give us a signal that the mid-term uptrend has resumed. On the contrary, if the downside risk remains, the rise will appear to be just a corrective one. On the downside support is seen at 95.75, followed by 90.85 and 85.00.



Support	95.75	90.85	85.00
Resistance	103.50	105.50	107.50

EUR/USD

The short term picture worsened as the euro continued to go far from the key resistance level at 1.3320, which is 61.8% retracement of the 1.1640-1.6035, and which pushed the pair down around 1.2600 levels. So far first target will be the resistance at the psychological 1.3000, followed by the key 1.3320. A successful break of 1.3320 will give us a signal that the positive mid-term trend is resumed and will target 1.3680. On the contrary, the negative risk remains and on the downside support is seen at 1.2500, followed by 1.2340 and the psychological 1.2000.

GBP/USD

The short term picture remains negative. The pair continues to go far from resistance at 1.6650, which is 23.6% retracement of the 2.1150-1.5266 drop. If broken successfully, next targets will be 1.6900 and the key level at 1.7510, which is 38.2% retracement of the mentioned drop. The downside risk remains, as far as, the pair holds below 1.7510, and its overcoming will give us a signal the mid-term positive trend has resumed. On the downside support is seen at 1.5600, followed by 1.5420 and 1.5270.



Support	1.5600	1.5420	1.5270
Resistance	1.6650	1.6900	1.7510

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