CitiFX Technicals-Bulletin

Technical Developments in the Foreign Exchange and Asset Markets

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So how about this for the Easter basket

EURUSD

- Trying to make predictions is fraught with danger. Trying to get the timing and levels exactly right is plain suicidal. **That has never held us back**
- Looking at the above chart we think we know exactly what is going to transpire. The odds of us being correct are of course low but we will still articulate what we think is about to take place.
    - Sometime in the next 1-3 trading days as everybody gets in Easter/Passover mode EURUSD is going to slice through the pivotal support at 1.3113 off which the 76.4% pullback at 1.3582 was posted (Missed it by just 9 pips).
    - The acceleration on that break will shock people with a move towards 1.2750-1.2760 (likely in a little as 24-48 hours of the break in thin holiday trading)
    - At this point people will start to re-iterate the inevitability of the lows being broken (1.2457 from March 2009 and 1.2329 from November 2008). 1.20, 1.15,1.10 and maybe even PARITY predictions will once again get dusted off.
    - This will not happen. As if by magic the move will stop at or very close to the 1.2750-60 level.
    - This will provide a platform off which a major multi month rally in EURUSD can then begin in earnest.

As we said the chances of exactly this transpiring are obviously slim but nonetheless that, at this point, is our view of what might transpire in the coming days

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Today's Highlights - Sent Monday, Tuesday and Wednesday. Technical Strategy focused publication detailing important technical developments in the past 24 hours and looking at possible implications for other markets. Main focus is the FX market but the piece also covers important developments in Equity, Fixed Income and Commodity markets, especially where we believe the moves are significant for FX. The publication also includes a daily grid with short comments on each major currency pair and support/resistance levels

Weekly Roundup - Sent late Thursday European time. Detailed coverage of all G10/EM FX Markets and related asset markets, with charts of each market. The document is hyperlinked to ease use and navigation. It should be thought of as an e-mailed website that can be kept for reference over the following week.

Bulletins – Ad hoc pieces sent where we believe particularly significant developments have taken place. Often based on interrelationships between markets.

Portfolio Updates - We run a portfolio on the back of our ideas/views and as such send e-mails detailing changes to positions (targets/stops etc.) in relation to this.

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Market Commentary

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