

11/19/2009 – EUR/JPY Daily Chart*



(Price on 1st pane, Slow Stochastics on 2nd pane; horizontal support/resistance levels in yellow; uptrend lines in green; downtrend lines in red; chart patterns in white; 50-period simple moving average in light blue.)

11/19/2009 – EUR/JPY – Price action on EUR/JPY, a daily chart of which is shown, is displaying dramatic yen strengthening today on stock market declines that is also abundantly clear on other major yen pairs/crosses like USD/JPY and GBP/JPY. In the case of EUR/JPY, price has descended all the way down to approach a dynamically-ascending support line extending from the April low. This support line constitutes the bottom border of a large, prolonged ascending triangle pattern (horizontal top and ascending bottom). Therefore, bearish price action is currently threatening a potential breakdown of this triangle consolidation. In the event of a significant breakdown, a major downside support target to watch for resides in the 127.00 price region.

James Chen, CMT
Chief Technical Strategist, FX Solutions

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