

USDJPY
Week Of December 14, 2009
Price: 89.05

Opinion - Bull

Bias: Weekly - Bullish

Flows: 1H Neutral, 4H Neutral, 1D Oversold, 1W Neutral

Bulls: I expect a move to 92.34. Often, in well defined three leg movements, a correction to the extreme of the second leg is seen. In this case, there is a very well defined three leg movement from 97.76 to 94.72. Beware of a break of the 87.30 level.

Bears: Watch for a reversal of the current bearish trend. We could see continued bearish movement if 87.30 is broken. If that happens watch for moves to the 86.00 – 86.25 level.

Technical

Support	Resistance
87.89	90.37-74
87.35	92.34
86.22	93.28
84.91	

Trade Setups

Long Trade: Buy between 88.80 – 89.15, targeting 90.48. Place stops below 88.16.

Short Trade: Sell on a break of the 87.30 swing low, targeting 86.22. Place stops above 89.00.

Tim's Pick

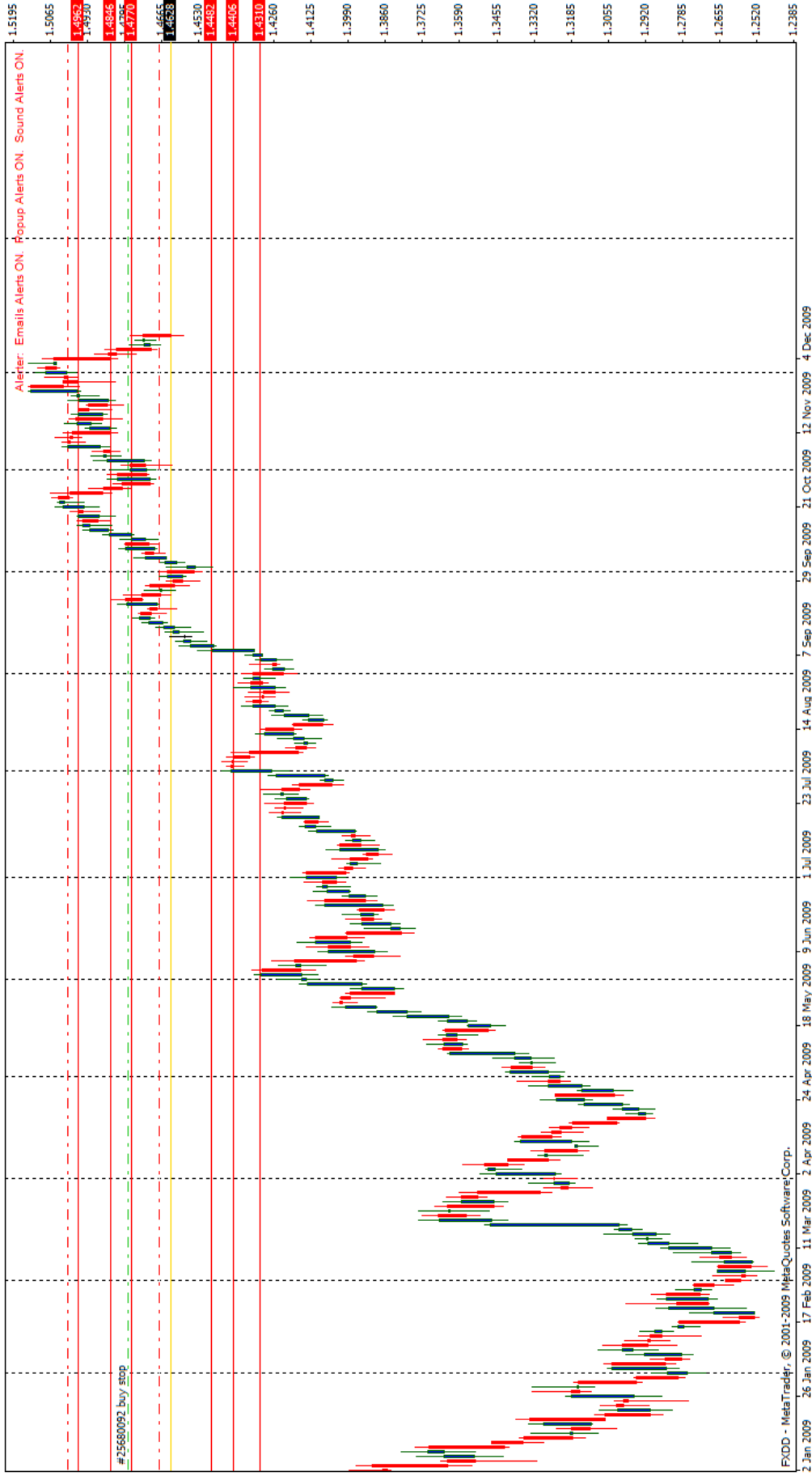
Place a **Buy Stop @ 89.05** **SL: 88.11** **TP: 90.48**. I think that the gap from last Sunday will close this week. At that point, we'll either see a Double Top form at 90.74 or we'll see a breakout and a longer term Bullish move. I expect a move to 92.34. Often, in well defined three leg movements, a correction to the extreme of the second leg is seen. In this case, there is a very well defined three leg movement from 97.76 to 94.72.

Fundamental Picture

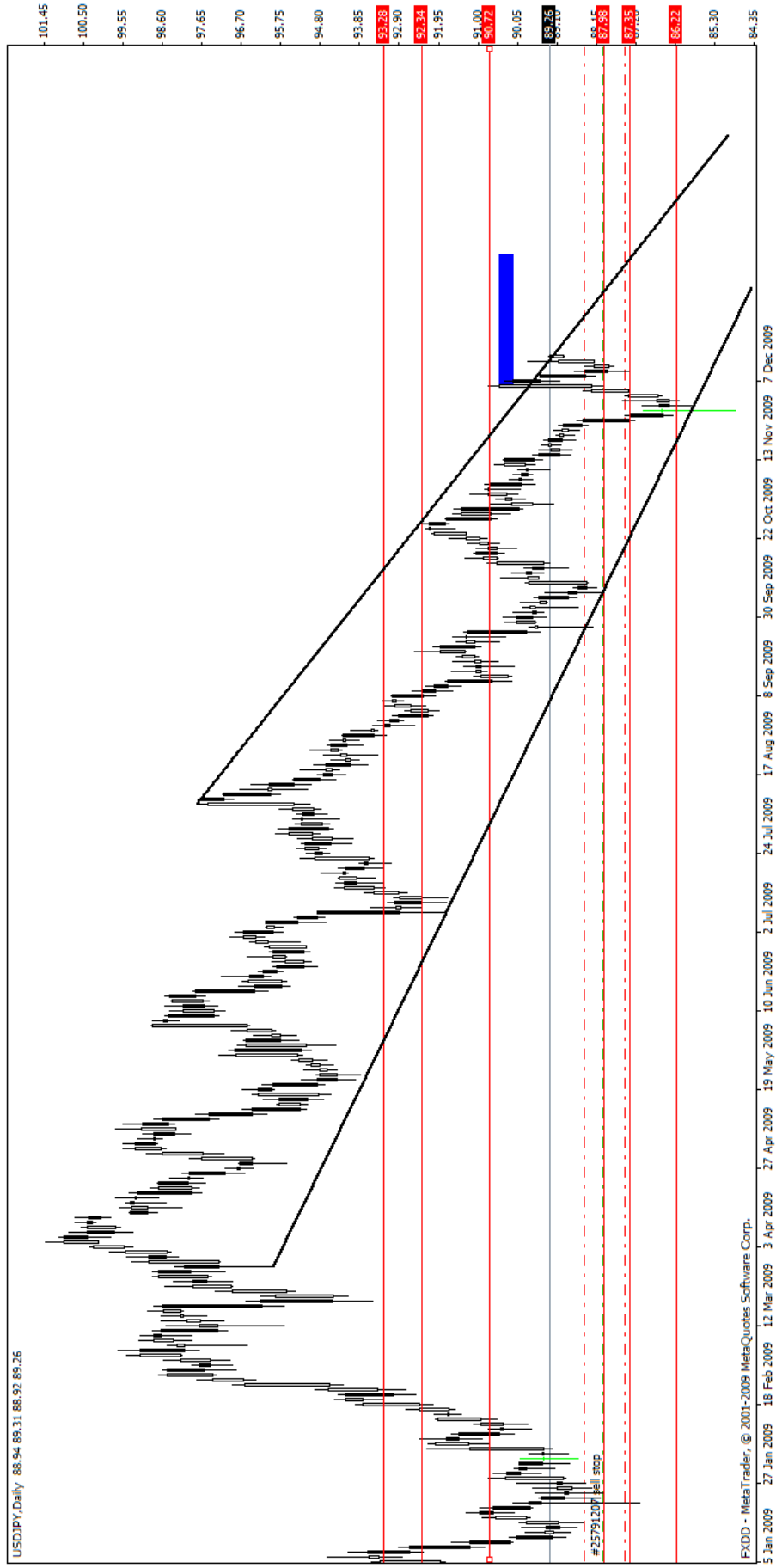
COT: 40/33 - Neutral

News: There are ten relatively high impact news releases for USDJPY this week. Tuesday – Thursday could prove interesting, especially given the thin liquidity in holiday trading.

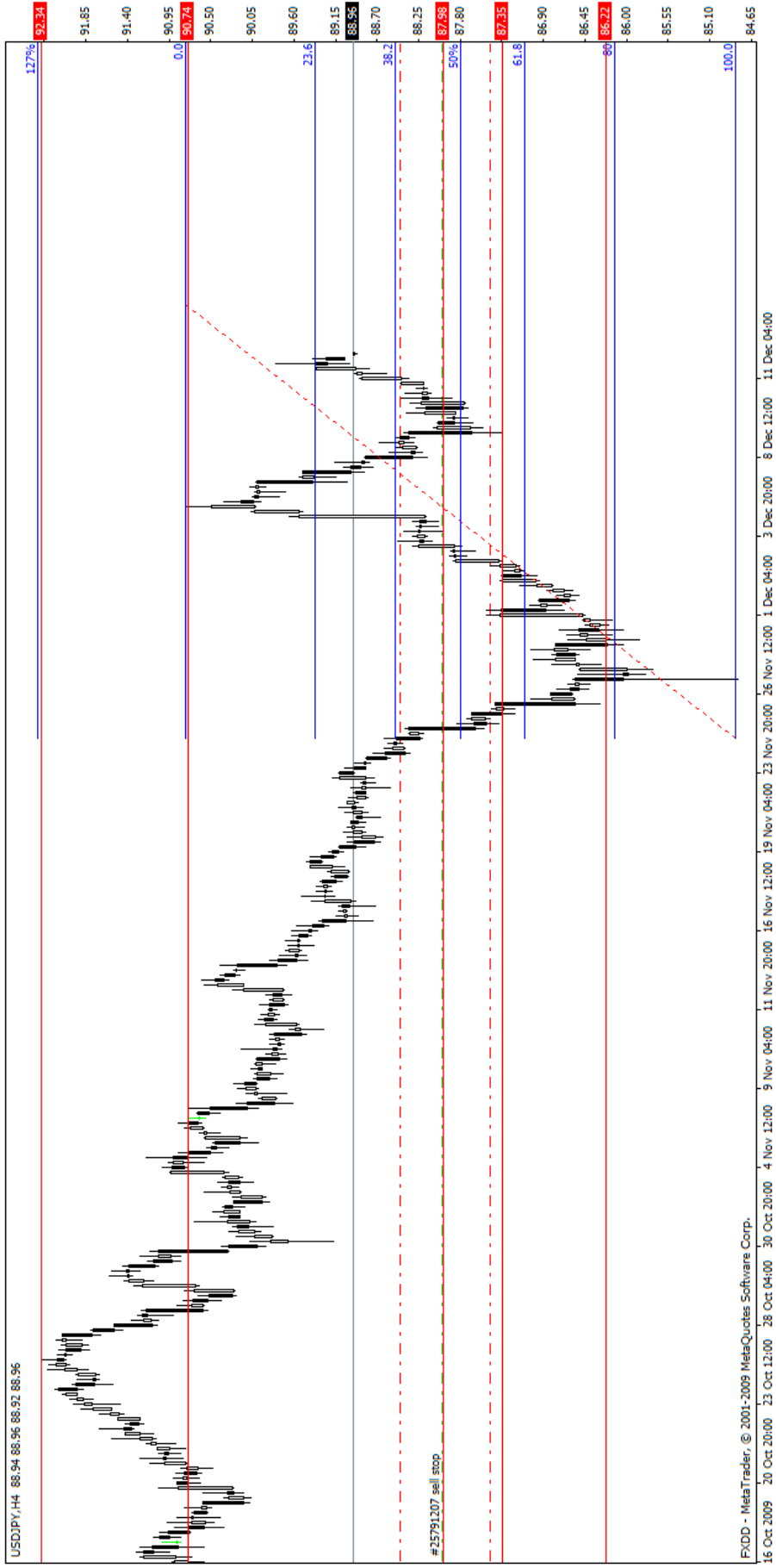
Notes: Watch for whipsaws this week. Use prudent leverage, and generous stop losses.



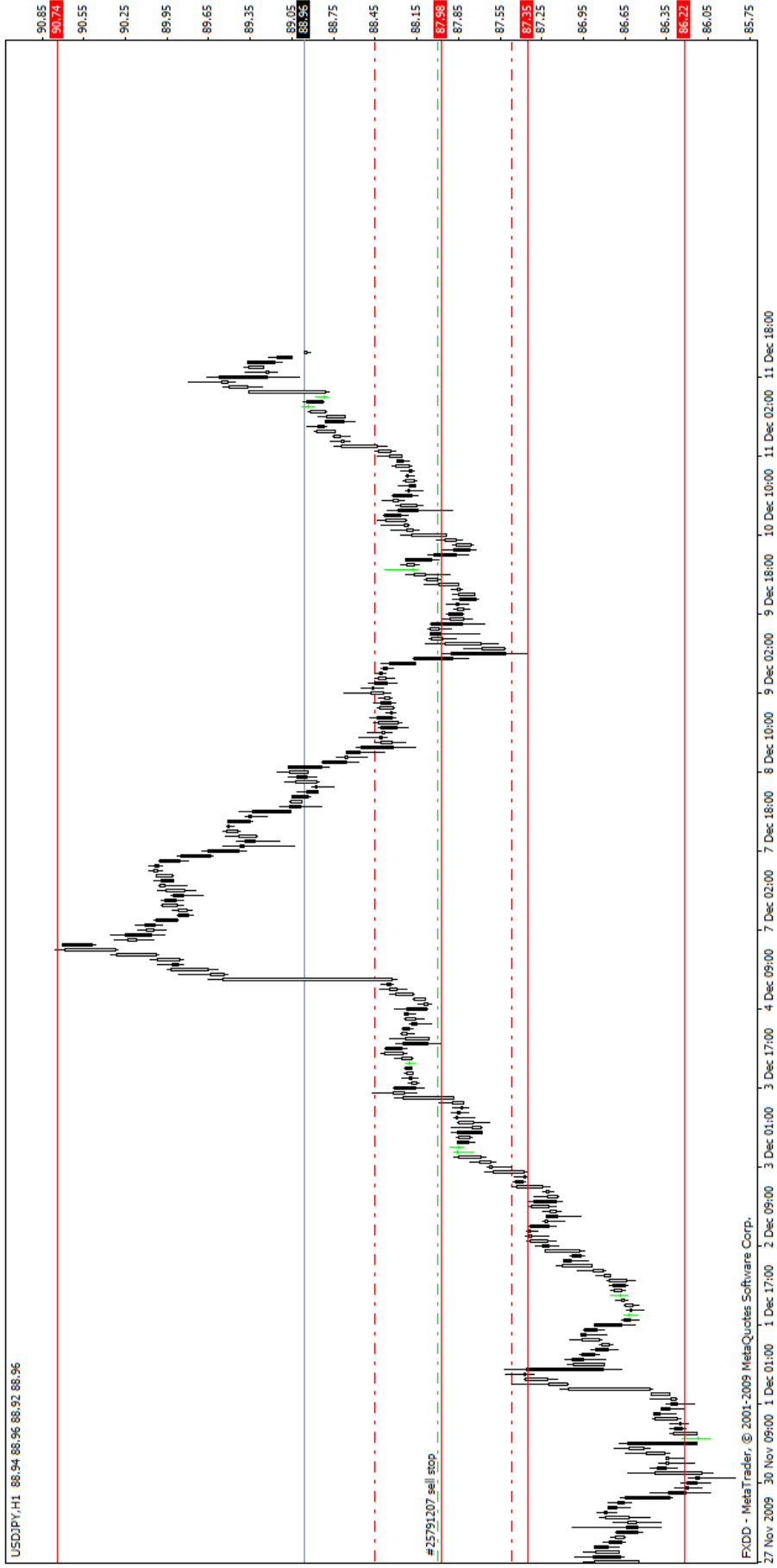
USDJPY Weekly Chart



USDJPY Daily Chart



USDJPY 4 Hour Chart



USDJPY 1 Hour Chart