

Date: 29<sup>th</sup> July, 2010/ Afternoon

Technical Report No: LFX 144/2010

### Overview:

The RBNZ hiked rates 25bp to 3.00% as expected but delivered a more dovish tone, and the NZ trade balance came in lower than expected, NZ\$ 276m vs NZ\$ 368m forecast. The data doesn't support this move, and it just hints of Bollard's determined attempt to be a member of the emerging 'commodity club'; unfortunately milk and meat don't really qualify entry into that club.

US durable goods softened again -1.0% vs expectations of an increase by 1%.

	AUD/USD	NZD/USD	AUD/NZD	EUR/USD	USD/JPY	GBP/USD
<b>RESISTANCE</b>	0.9070	0.7400	1.2390	1.3045	88.20	1.5640
	0.9035	0.7350			88.00	
	0.9000	0.7325			87.70	
	0.8975	0.7250				
<b>SUPPORT</b>	0.8890	0.7190	1.2345	1.2950	86.80	1.5520
	0.8870	0.7160	1.2265	1.2900	86.30	1.5450
	0.8790		1.2200	1.2885	86.20	1.5350
			1.2160	1.2790		
				1.2735		

Key: T/P = Take Profit: S/L = Stop Loss: Trailing T/P (or S/L) = moving your T/P (or S/L) as a market moves, to protect gains.

### AUD/USD

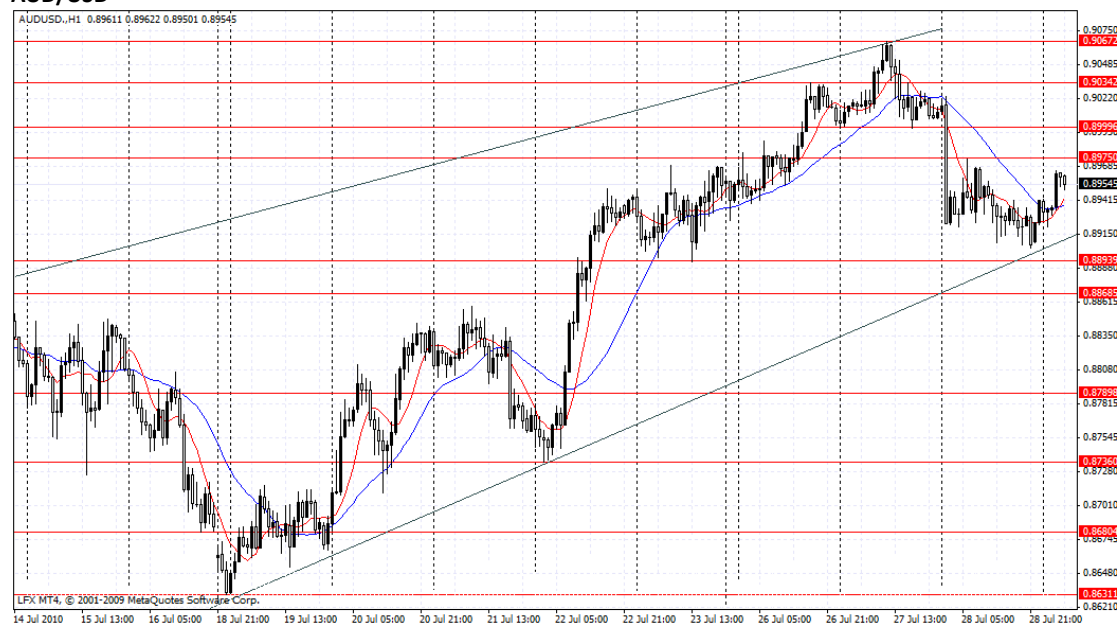


Fig 1: Hourly AUD/USD

AUD/USD regained some ground overnight, and throughout today, after yesterday's weak CPI data, but has run in to resistance at 0.8975. 0.8900 provides support. The market is in a state of indecision at the moment, so we choose to stay neutral on the AUD at this stage.

### NZD/USD

The much anticipated 25bp rate hike was delivered by the RBNZ today, and the NZD sold off immediately afterwards on the back of a somewhat dovish statement that accompanied the rate announcement. We've dropped out of the ascending channel now and 0.7290 now provides resistance, with additional resistance appearing just above here at 0.7245/50. The market looks to sell rallies on the NZD now. 0.7200 provides support for now, but through there and we're looking at 0.7150 and below.

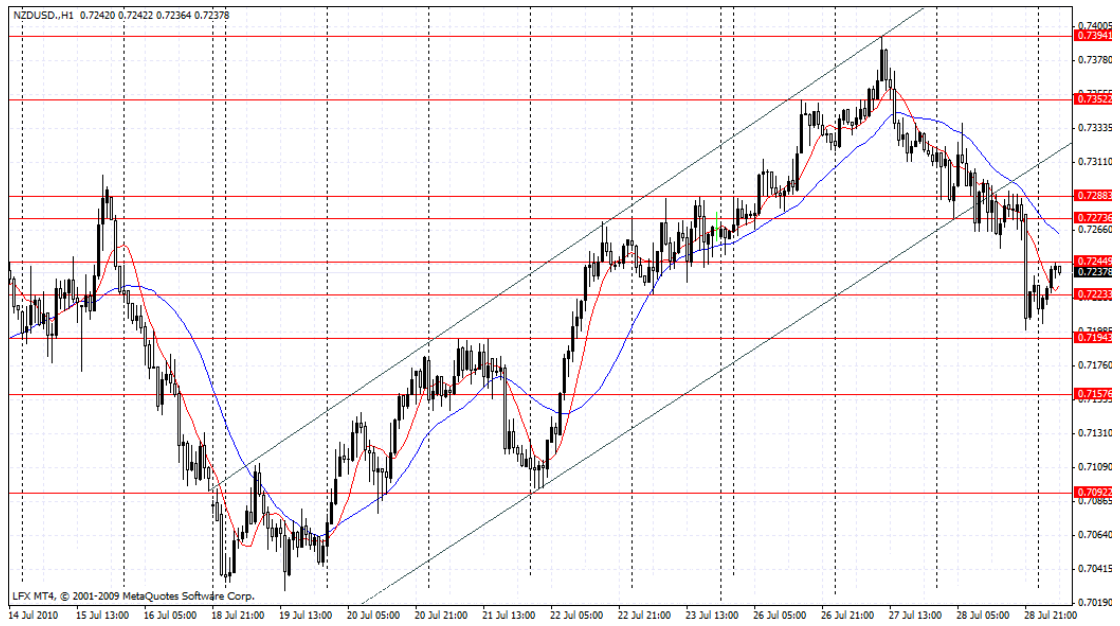


Fig 2: Hourly NZD/USD

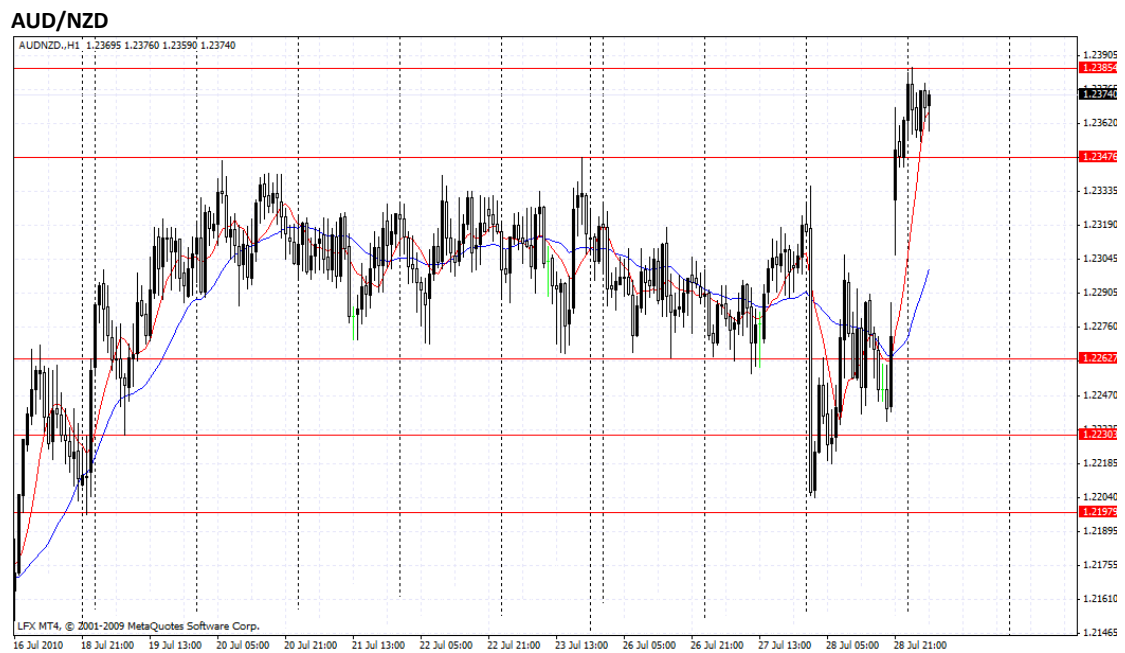


Fig 3: Hourly AUD/NZD

The expected N.Z. rate hike came with a dovish accompanying statement, and the NZD has suffered in response. AUD/NZD looks like a good buy on any pullback to 1.2260 now, and has broken out of the recent sideways price action.

### EUR/USD

EUR/USD has crept back above 1.3000 today after yesterday's weak durable goods data out of the U.S. However, we appear to be facing a period of consolidation across the board at the moment so choose to wait for pullbacks before getting involved in this move. 1.2950 provides initial support still, and then 1.2885.

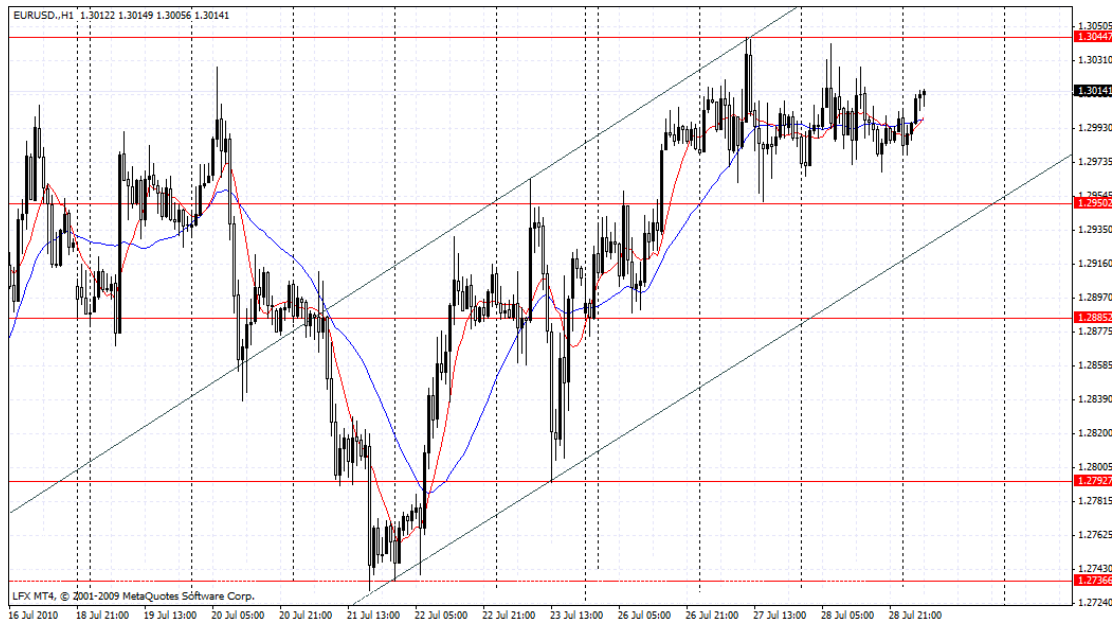


Fig 4: Hourly EUR/USD

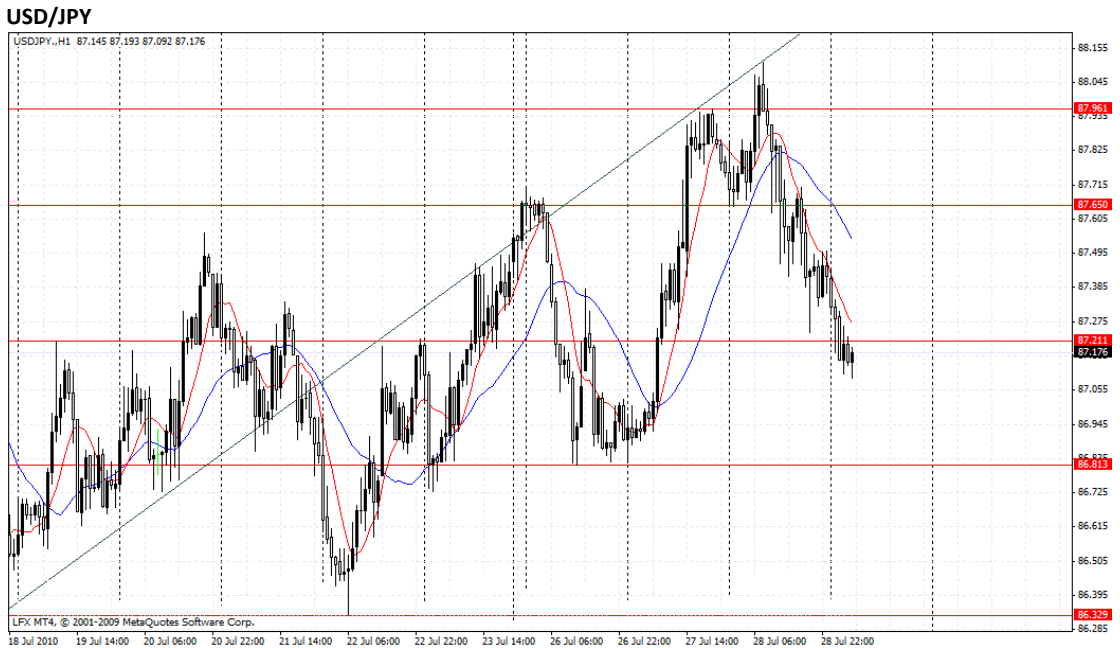
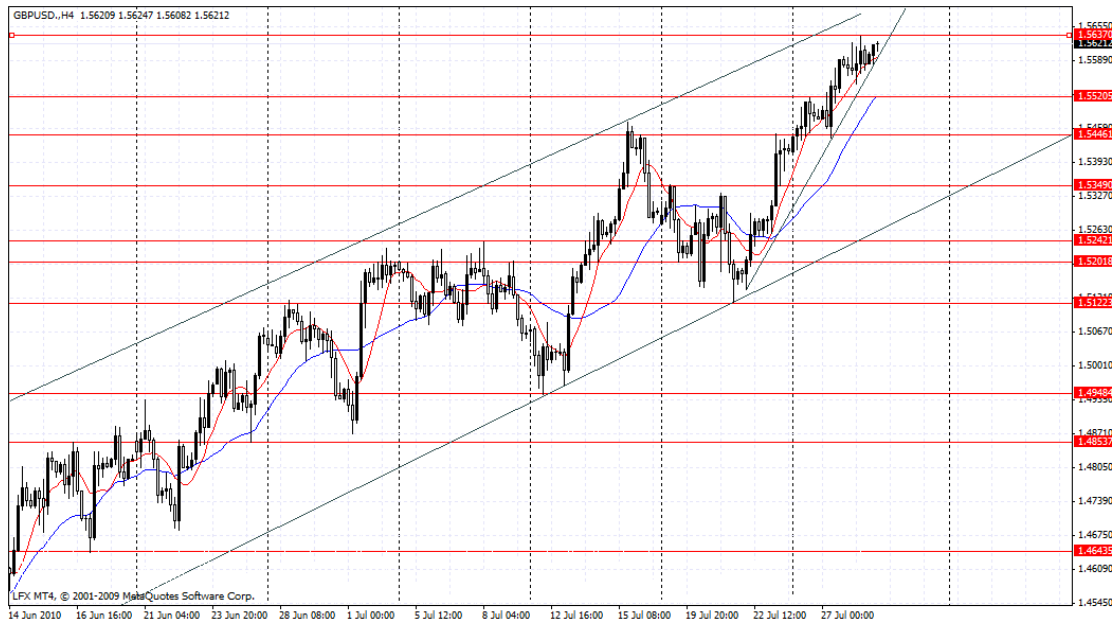


Fig 5: Hourly USD/JPY

Well we've had our pullback to our buy level, but the price action suggests that this is not the time to buy USD/JPY as it would appear that 86.80 is on the cards initially and potentially lower. We will stay square for now, as we don't look to sell USD/JPY below 87.00, but the price action does not look compelling on the buy side at the moment.

#### GBP/USD

GBP has held up but on the charts it looks set for a tumble to the bottom of our ascending channel. We continue to refrain from buying this at these elevated levels. 1.5450 and/or 1.5350 look like a good levels to get involved on any pullbacks.



**Fig 6: 4 Hourly GBP/USD**

Please take the opportunity to visit us on [www.FXMarketReport.com](http://www.FXMarketReport.com) and take a look at our full Fundamental & Technical Report – within our [Archive](#).  
Otherwise, our open discussion is on Facebook: [FX Market Report](#)

**Disclaimer:** This information has been prepared by [www.FXMarketReport.com](http://www.FXMarketReport.com). To the extent permitted by law no member of [www.FXMarketReport.com](http://www.FXMarketReport.com) accepts any responsibility for errors or misstatements, negligent or otherwise, nor for any direct, indirect, consequential or other loss arising from any use of this information and/or further communication in relation to this information. This information has been obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. The information may be based on assumptions or market conditions and may change without notice. Any price levels provided are indicative only. Where any reference is made in the information to past performance, it must be remembered that past results are not necessarily indicative of future results. The value of products can and does fluctuate, and a product may even become valueless. International investors are reminded of the risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. No part of the information is to be construed as a solicitation to buy or sell any product, or to engage in or refrain from engaging in any transaction. This information is confidential and must not be copied, in whole or in part, or distributed to any other person. If you are not the intended recipient, you must not use or disclose this information in any way. The information contained within this report/email is confidential and should not be forwarded to any third parties. If you are not the intended recipient, you are not authorised to pass on the information contained within this report/email in any way. [www.FXMarketReport.com](http://www.FXMarketReport.com) does not guarantee the integrity of any emails or attached files. © [www.FXMarketReport.com](http://www.FXMarketReport.com) 2009.

If you do not wish to continue receiving this report, please advise us by responding to [this email](#).

This information is provided to you by Latitude FX Limited ARBN 131 876 698 ("Latitude"). This information is not intended to create legal relations and is not binding on Latitude under any circumstances whatsoever. To the extent permitted by law, neither Latitude nor any of its associates, directors, officers or employees, or any other person, makes any promise, guarantee, representation or warranty (express or implied) to any person as to the accuracy or completeness of this information. No responsibility or liability whatsoever (in negligence or otherwise) is accepted by any person for any errors, mis-statements or omissions in this information or any other information or materials.