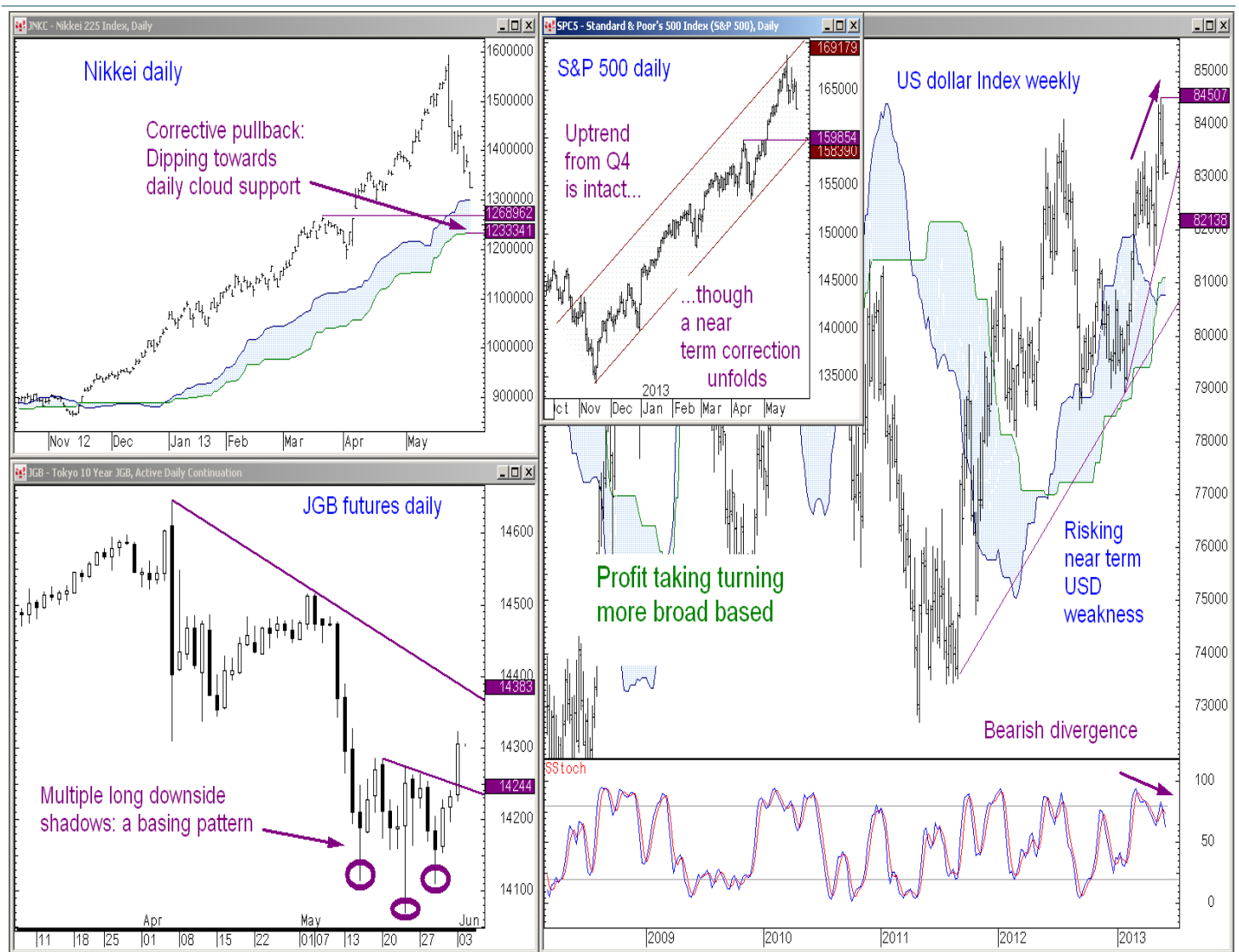


Global Daily FX Technical Analysis and Strategy

An ongoing slide in the Nikkei preceded recent profit taking on the JGB bear trend and also on the S&P 500. The Nikkei can correct lower without damaging the larger bull trend that began in Q4 last year. Until basing signs in the Nikkei can emerge, we are wary of further short-term profit taking across assets, and also in the, so far, resilient bull trends, such as USD/JPY. While we would ultimately view USD weakness as corrective and a setup for further medium-term gains, short-term indications suggest that investors prefer to neutralise risk.

Daily focus: Neutralising risk

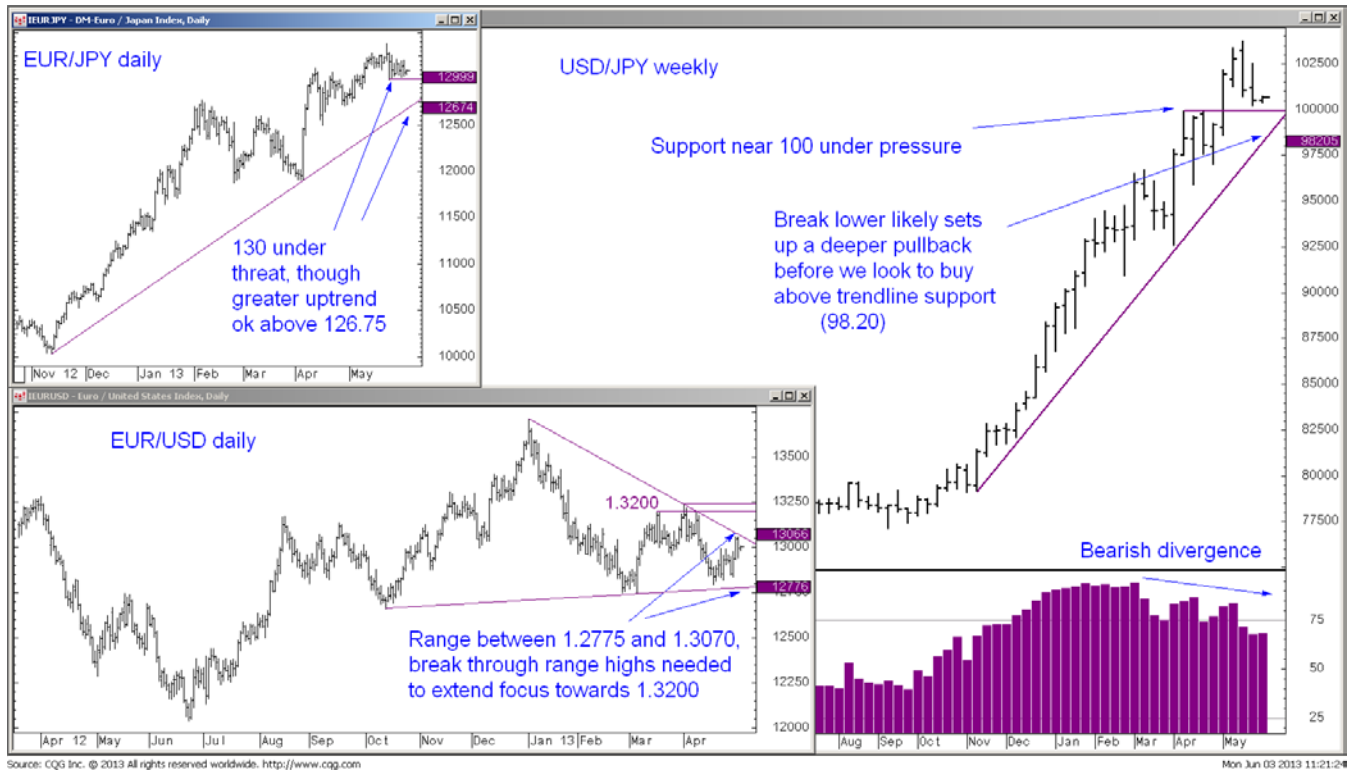


Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013 14:37:44

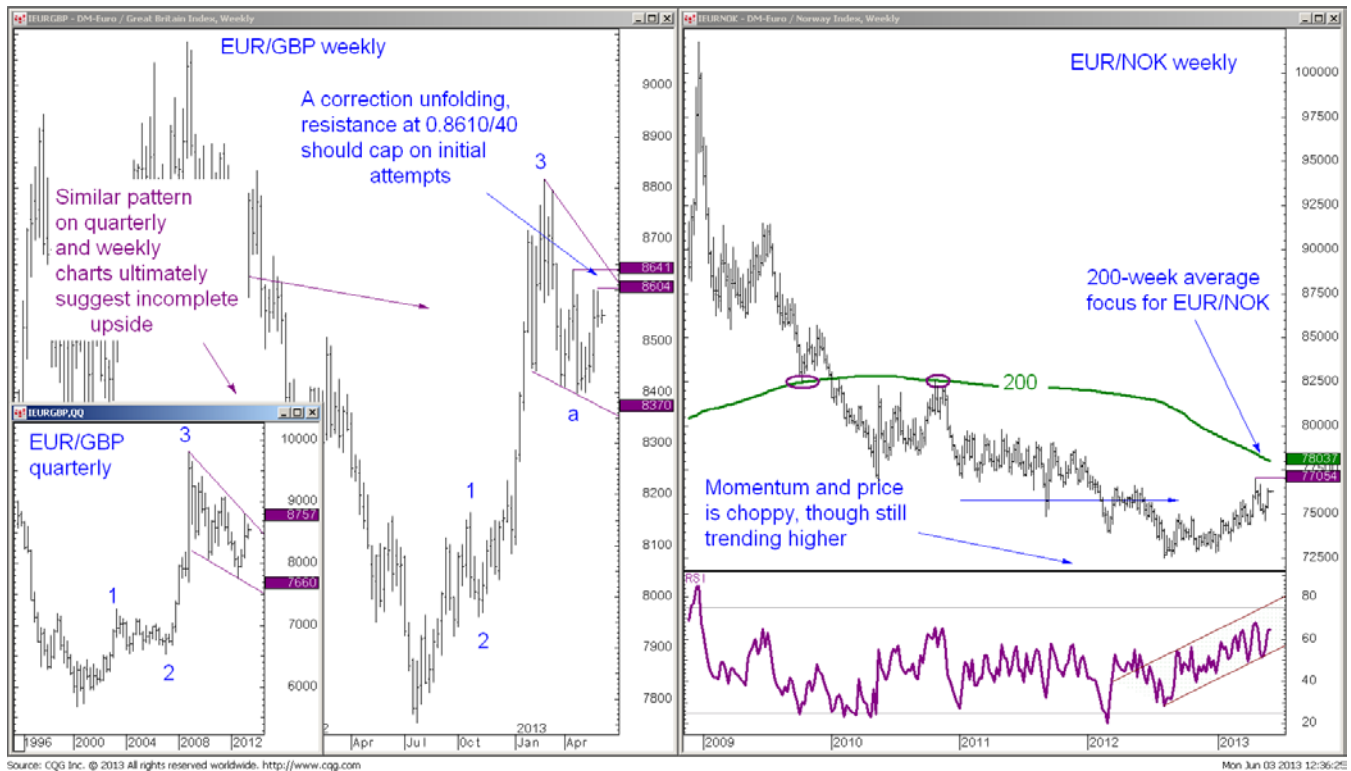
FX CHARTS

FIGURE 1
 USD/JPY risking a probe below 100, as the USD pulls back in a corrective manner



Source: CQG

FIGURE 2
 EUR/GBP facing near-term resistance at 0.8610/40, difficult to overcome this week; EUR/NOK aims at 7.70 and 7.80

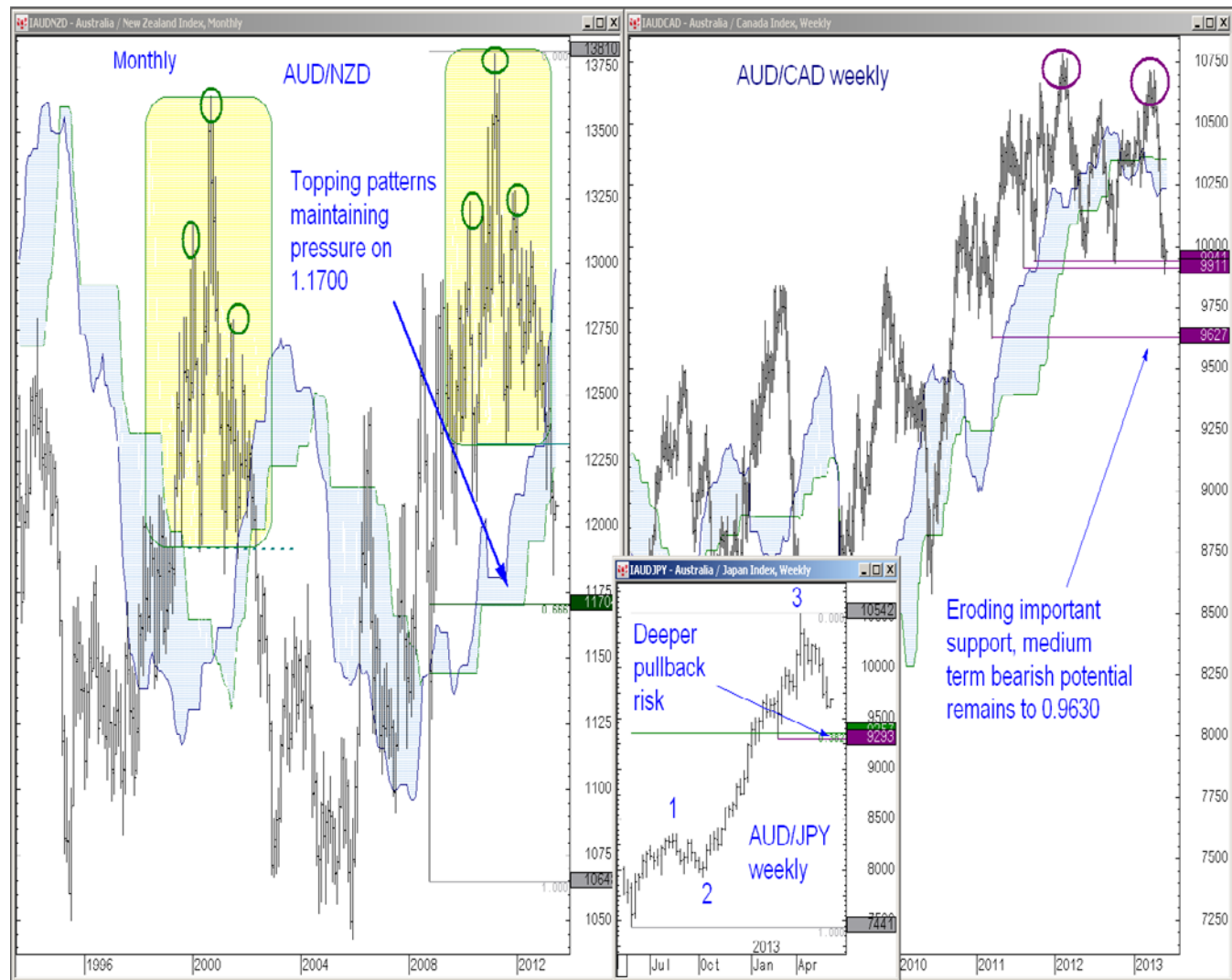


Source: CQG

FX CHARTS AND LEVELS

FIGURE 3

Despite near-term risk of consolidation (AUD commentary on page 4), medium-term weakness for AUD against CAD, NZD



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013 12:05:25

Source: CQG

FIGURE 4

	EUR/\$	\$/CHF	\$/JPY	GBP/\$	EUR/JPY	EUR/GBP	EUR/CHF	AUD/\$	NZD/\$	\$/CAD
Momentum	<i>Bullish</i>	<i>Bearish</i>	<i>Bearish</i>	<i>Bullish</i>	<u><i>Bearish</i></u>	<u><i>Bearish</i></u>	<i>Bearish</i>	<u><i>Bullish</i></u>	<u><i>Bearish</i></u>	<u><i>Bearish</i></u>
Resistance	1.3105	0.9765	101.95	1.5380	133.00	0.8610	1.2500	0.9750	0.8165	1.0450
	1.3070	0.9655	101.30	1.5280	132.20	0.8580	1.2465	0.9700	0.8050	1.0420
Support	1.2940	0.9510	100.00	1.5140	129.95	0.8520	1.2380	0.9530	0.7930	1.0280
	1.2840	0.9440	98.55	1.5105	129.00	0.8480	1.2340	0.9385	0.7860	1.0220
	EUR	CHF	JPY	GBP	AUD	NZD	CAD	\$ INDEX		
Sentiment	20	31	34	36	15	19	14	73		

*Other indications, backtest statistics, and momentum readings available on TRENDS, an online Technical Strategy tool on Barclays Live. Most recently changed momentum signals are underlined.

FX AT A GLANCE

FIGURE 5

Currency Pair	View
EUR/USD ↑	Trendline resistance is now at 1.3070, and we are looking for an overthrow above this level for a test of daily cloud resistance at 1.3100. Thereafter, selling interest is likely to return against wider range highs at 1.3200/40. For the time being, buy dips. A break back below 1.2930 would turn us neutral.
USD/JPY ↓	The risks are increasing for stops to run below 100, for a test of 99.60 or even 98.50 before we look for a base. Bigger picture, we are bullish (targeting 105.60), but are patiently waiting for the recent correction to run its course.
GBP/USD ↑	We expect gains to 1.5305/25. Thereafter, we would look for the larger range highs near 1.5410/50 to cap and for a turn back towards important support at 1.5000. Short-term support is at 1.5105.
USD/CHF ↓	We expect a test of 0.9500 before looking for a bounce. Near term, bearish pressure remains while below 0.9650 (revised). In a worst-case scenario, we cannot rule out profit taking towards 0.9400/0.9380.
EUR/JPY →	Given a Bearish Reversal week formed last month, we prefer selling rallies against 133.85. Closer to price, 132.50 is also likely to cap. A break below 130.00 is needed to adopt a stronger bearish bias for a test of 129.00 and potentially 127.05.
EUR/GBP →	The near-term range is likely between 0.8520 and 0.8610 (daily cloud top). We hold a marginal bias to sell rallies within this range, with a break below 0.8520 opening 0.8460.
EUR/CHF ↓	The break below 1.2420 triggered a test of 1.2380 (initial target), in line with our view. We are maintaining a bearish bias, looking to sell rallies for a test of 1.2340. Bearish pressure remains while below 1.2500.
AUD/USD ↑	Given bullish divergence warnings and overly stretched bearish sentiment (DSI readings on Figure 4), we are looking for a short-term bounce. 0.9700/05 is vulnerable, above which we expect a test of the 0.9800-handle before the greater bear trend can resume. Below 0.9530, we are wrong.
NZD/USD →	The close below weekly cloud base at 0.7960 for the first time in nearly a year warns of further medium-term weakness. Near term, however, the risk of a bullish divergence warning keeps us neutral, allowing for a short-term squeeze to 0.8065 before we can look to sell for a test of 0.7800.
USD/CAD →	We expect a test of 1.0260 before looking for a base. Bigger picture, we are bullish but are patiently awaiting a decisive break above 1.0450 for a strong sign (to 1.0650), especially as WTI crude is demonstrating signs of weakness.

Note: *Colour legend for short-term trend bias/arrows: **Bullish**, **Bearish**, **Neutral**